



Portfolio Review and Recommendations Report for the Department of Health and Human Services

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SECTION 1

Executive Summary

Executive Summary

- Since 2011, the Department of Health and Human Services (HHS) and General Services Administration (GSA) have identified 18 CPP opportunities to achieve annual rent savings, annual rent avoidance and square footage reductions
- In 2015, GSA and HHS reviewed 25.5M RSF of HHS occupancies representing \$576.1M in annual rent*
- Criteria for identifying owned and leased office locations with potential to achieve occupancy cost savings included:
 - Right-size in expiring lease locations
 - Office use area is greater than or equal to 10,000 USF
 - Utilization Rate (UR) for office area is greater than or equal to 170
 - Lease expiration date is equal to or greater than January 1, 2018
 - Optimize the use of Federal occupancies
 - Office UR is greater than or equal to 170
 - There are HHS lease locations within 25-mile radius
- Currently, HHS and GSA are evaluating or implementing cost savings strategies in 10 HHS locations. GSA is providing HHS with FY14 and FY15 Consolidation Funds to complete 8 of the 10 rent and RSF reduction opportunities.
- Implementation of the 10 CPP opportunities identified in the following report have the potential to achieve \$29.8M in annual rent savings and a footprint reduction of 454k RSF
- In 2015 HHS also began an engagement with GSA's Workplace team to provide national guidelines for designing space and understand how office layout can improve productivity and workforce satisfaction. Executing a workplace redesign strategy will ultimately improve space utilization and reduce occupancy costs for HHS

HHS Goals and Potential Areas of Occupancy Focus

HHS Goals & Objectives	Core Real Estate Space Types	GSA and HHS Areas of Focus
Strengthen Health Care <ul style="list-style-type: none"> • Make coverage more secure for those who have insurance and extend affordable coverage to the uninsured • Improve healthcare quality and patient safety 	Office Space <ul style="list-style-type: none"> • Offices located nationwide to support both mission and administrative functions of each OpDiv • Majority of office space located in NCR due to HQ functionality 	<ul style="list-style-type: none"> • Focus on implementation of opportunities identified in FY11-15 PR3 deliverables • Ensure successful implementation of opportunities utilizing GSA Consolidation Funds • Continue to identify new opportunities with high-impact RSF and annual rent reductions • Collaborate with GSA Regions to push opportunities forward that have been on hold • Partner with HHS to ensure that workforce has the facilities (including labs, office space and collaborative space) they need to focus on healthcare, research and prevention • Work with HHS to provide accessible facilities to support healthcare outreach and research • Promote mobile workplace solutions that will enable HHS to respond nimbly during health and safety emergencies • Support sustainable workplace strategies to conserve energy and reduce greenhouse gas emissions, waste and water use • Encourage and enable flexible workplace strategies (e.g., mobility/telework) in partnership with HHS through solution development and expert advice
Advance Scientific Knowledge and Innovation <ul style="list-style-type: none"> • Accelerate the process of scientific discovery to improve patient care 	Laboratory <ul style="list-style-type: none"> • Specialized space to carry out complex research and analysis • Scientific/healthcare focused bureaus typically directly own their laboratory facilities 	
Advance the Health, Safety and Wellbeing of the American People <ul style="list-style-type: none"> • Promote the safety, well-being, resilience and healthy development of children and youth 	Warehouse <ul style="list-style-type: none"> • Majority of warehouse space owned directly by agency 	
Increase Efficiency, Transparency and Accountability of HHS Program <ul style="list-style-type: none"> • Ensure program integrity and responsible stewardship of resources 	Other <ul style="list-style-type: none"> • Numerous other highly specialized property types exist • Other property types include hospitals, outpatient healthcare facilities, family housing, etc. 	
Strengthen the Nation's Health & Human Services Infrastructure and Workforce <ul style="list-style-type: none"> • Invest in the HHS workforce to meet America's health and human services needs today and tomorrow • Ensure that the nation's healthcare workforce can meet increased demands • Enhance the ability of the public health workforce to improve public health at home and abroad 		

HHS Opportunity Overview

Opportunity	Status	Estimated Annual Savings (w/o TI)	Agency Upfront Costs* (Break Even Period)	RSF Reduction
1. Cleveland, OH Consolidate into Federal Building	Develop Business Case(s)	\$1.2M Rent Savings	\$1.3M (2.8 years)	34,269
2. Boston, MA Right-size within Federal Building	Consolidation Funding Requested 6/1/18	\$1.5M Rent Savings	\$7.7M (9.2 years)	39,898
4. Dallas, TX HHS Right-size Regional Office in Leased space	Consolidation Funding Complete 8/25/17	\$1.2M Rent Savings	\$5.0M (7.3 years)	39,683
4. Philadelphia, PA Right-size Regional Office in Leased space	Consolidation Funding Requested 01/01/18	\$902k Rent Savings	\$7.3M (19.5 years)	51,432
5. Woodlawn, MD Optimize CMS Portfolio	Consolidation Funding Requested FY17	\$2.6M Rent Savings	\$3.3M (1.7 years)	117,300
6. Washington, DC Consolidate OCIO Leases into HHH	Consolidation Funding Complete 3/1/16	\$750k Rent Savings	\$7.2M (9.6 years)	27,495
7. Washington, DC Switzer Consolidation	Consolidation Funding Complete 4/1/15 & 7/30/16	\$1.0M Rent Savings \$17.4M Cost Avoidance	\$20.0M (1.8 years)	24,221
8. Washington, DC Switzer Lower Level Improvements	Consolidation Funding Complete 1QFY16	\$655k Rent Savings	\$3.2M (4.6 years)	8,770
9. Irvine, CA OHMA Relocation to Leased	Completion 2Q FY15	\$800k Rent Savings	\$1.2M (2.3 years)	13,778
4. Atlanta, GA Regional Office in Leased space	Consolidation Funding Complete FY20	\$1.8M Rent Savings	\$9.7M (10 years)	88,044
Total		\$29.8M	\$65.9M	444,890

*GSA/Landlord Costs of \$101.8M in addition to Agency Upfront Costs

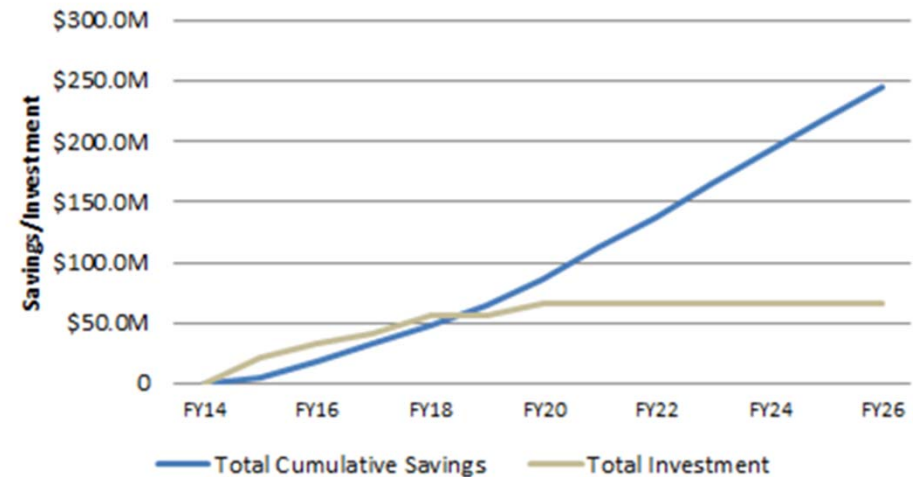
Note: Potential impact calculations are preliminary and still in development

Executive Summary (continued)

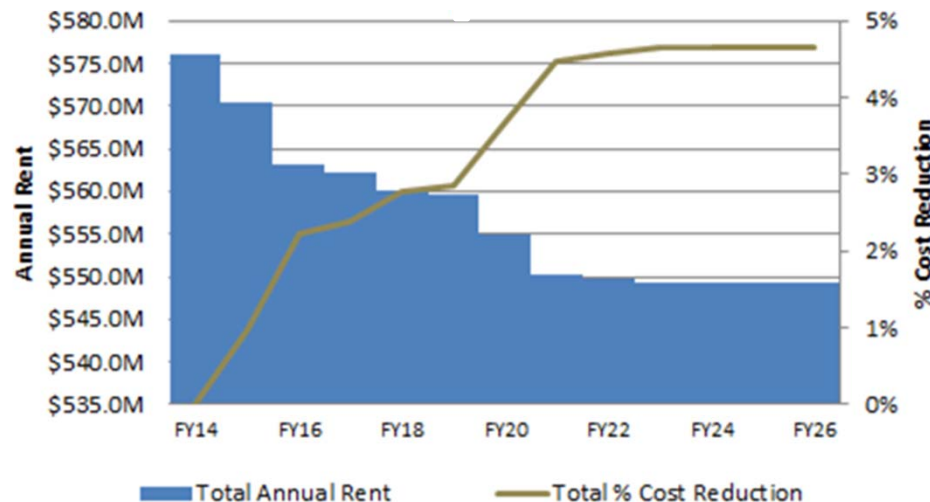
The timeline and CPP opportunity results for HHS are as follows:

- Required Agency Upfront Costs of \$65.9M
- Over \$29.8M in annual lease savings
- RSF reduction of 445k RSF

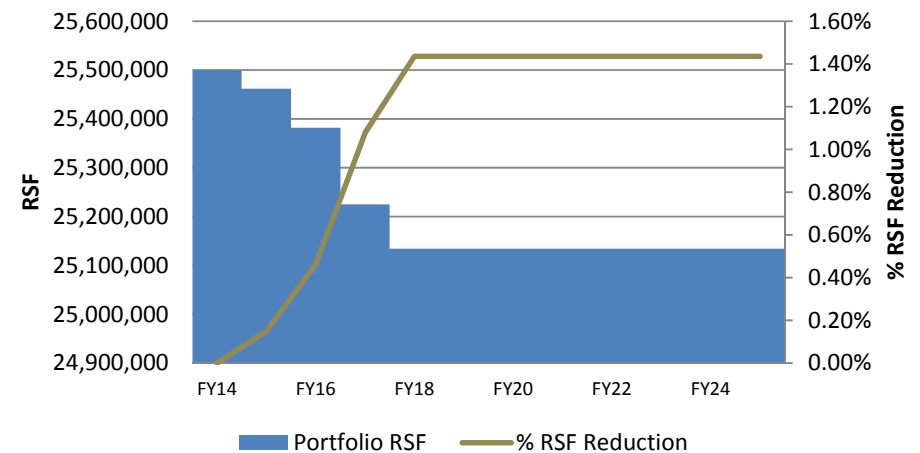
Cumulative Savings (w/TI) vs. Agency Upfront Costs



**Cost Savings Impact of CPP Opportunities
BY FY of Completion**



**RSF Savings Impact of CPP Opportunities
By FY of Completion**





SECTION 2

Outcomes Achieved

FY15 Outcomes Achieved: HHS Irvine, CA Lease Relocation and Right-size



NAT'L QUICK FACTS

Portfolio Snapshot

54.4M RSF

\$1.0B rent roll

29% leased space

71% owned space

Space Use

40% office space

31% lab

29% other

National UR goal: 170
(Office and support
space)

Background:

HHS/Office of Medicare Hearings and Appeals is located at 27 Technology Drive, Irvine, CA with an expiring lease in June 2015. The site is 45,540 RSF and has an All-in USF/Person of 314. HHS will have an All-in USF/Person of 209 as leases expire. There was no available federal vacancy of this size or federal building in the area, however the ownership of the existing lease building had a lease vacancy in the area.

Action:

GSA Total Workplace Program and Region 9 Space Management Specialist worked with HHS to develop design schematics and incorporate into an acceptable program of requirements, allowing HHS to reduce the footprint and maintain mission objective. Real Estate Acquisition Division identified a new office with the same ownership as the incumbent site, and aligned the existing term to be terminus with substantial completion of this current project. Coordinating between GSA and HHS staff and facilities business lines had many stakeholders involved with this project. The project was slightly delayed due to union space negotiations. Recurring meetings and accountability was critical in order to ensure the project was delivered on time.

Results:

The project's total investment costs were \$3.8M. The project achieved substantial cost avoidance and taxpayer savings while significantly decreasing HHS's All-in USF/Person to 209. The project's total office USF/Person is 163. The new lease is 1.3% below market current rates and the re-designed office environment is more employee-friendly. This flagship pilot program used for the Irvine Office will be a model for three other OMHA field offices throughout their national portfolio.

SAVINGS ACHIEVED

Action		Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)	
Baseline	Relocation and Right-size	4Q FY15	\$1.5M	\$1.5M	45,540	42,771	136	314	500	
Target			\$1.1M	\$0.7M	31,762	29,013	139	209	350	
			Cost / (Benefit):	(\$0.8M)	(13,778)	(13,758)	3	(105)	(150)	
			% Improvement:	(53%)	(30%)	(32%)	2%	(33%)	(30%)	
Savings Achieved to Date (% of Target Savings)				\$0.8M	13,778	13,758	3	105	150	
				(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	



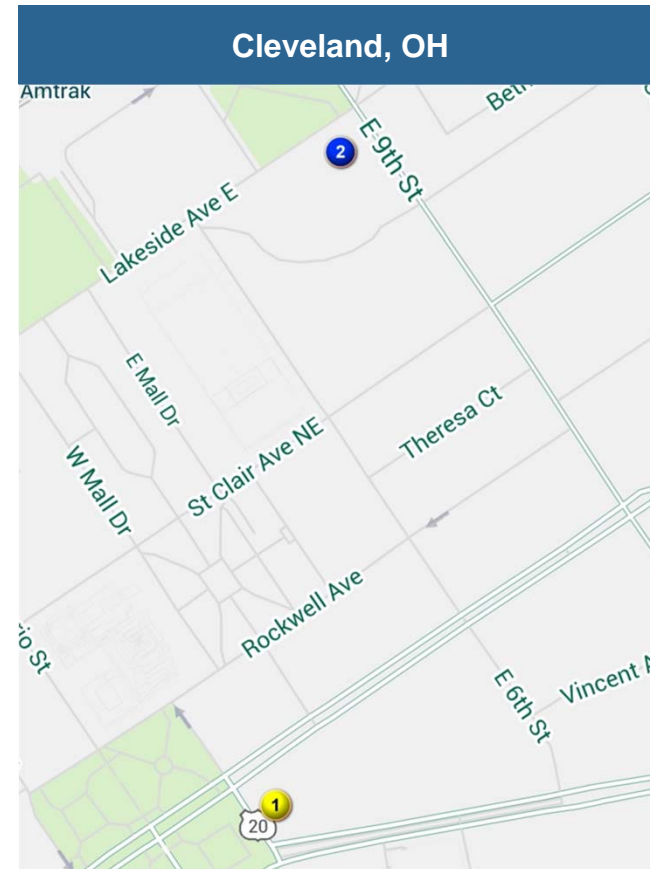
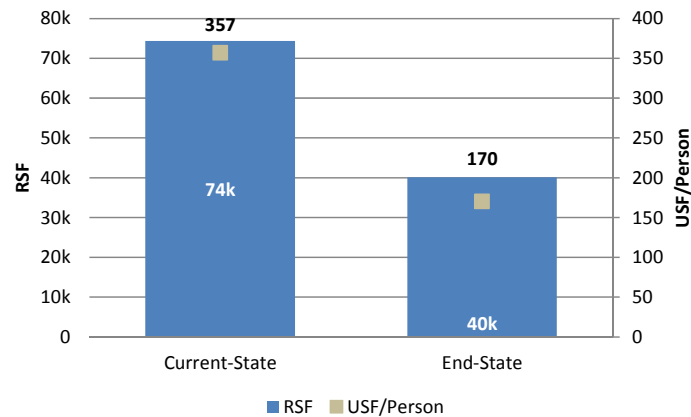
SECTION 3

Portfolio Opportunities

Cleveland, OH | Consolidate into Federal Building

- Currently HHS OMHA occupies 67k USF in a lease at 200 Public Square in Cleveland, OH
- The Utilization Rate in the current leased location is 357 USF/Person for the 187 personnel
- HHS and GSA are developing a strategy to significantly reduce OMHA footprint down to 37k USF upon lease expiration in 2016 to improve UR
- GSA owns the Celebrezze Federal Building in Cleveland and would look to accommodate HHS as sufficient vacant space permits
- The strategy entails two phases:
 - Phase 1: Conduct new lease procurement for 5 years, 3 years firm at reduced footprint targeting 170 UR
 - Phase 2: At end of 3 year firm term, relocate into Celebrezze FB

RSF & USF/Person



● Leased ● Owned

Address	Owned/ Leased	RSF	USF/ Person	HC	\$/RSF	Annual Rent	Expiration
1. 200 Public Square	GSA Leased	74,345	357	187	\$27.13	\$2,017,094	4/30/2016
2. A J Celebrezze FB	GSA Owned	1,062,966	N/A	N/A	\$17.21	\$18,291,968	N/A

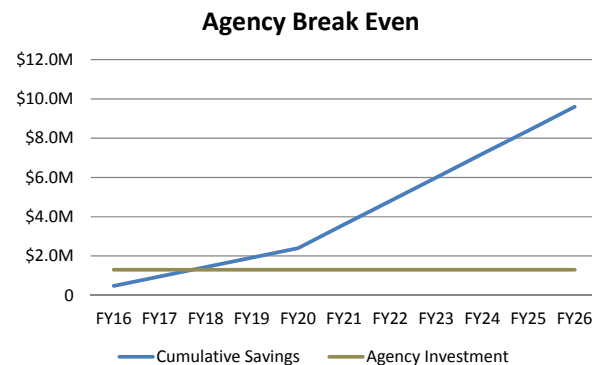
Cleveland, OH | Consolidate into Federal Building

Opportunity Description

- HHS has an opportunity to exit the leased location and consolidate into a Federal Building, saving \$1.2M in rent and reducing RSF by 30k
- The consolidation would improve UR from 357 to the targeted 170
- Rent in the leased location is \$27.13/RSF compared to the target rent in Federal Building of \$20/RSF
- Strategy entails two phases:
 - Phase 1: Conduct new lease procurement for 5 years, 3 years firm at reduced footprint targeting 170 UR
 - Phase 2: At end of 3 year firm term, relocate into Celebrezze FB

Potential Benefits

- RSF Reduction: 34k RSF (46%)
- Annual Rent Savings (w/o TI): \$1.2M (60%)
- Total Investment Costs: \$4.9M
 - Total Agency Upfront Costs: \$1.4M
 - Total GSA/Lessor Upfront Costs: \$3.5M
- Agency Break Even: 2.8 years



Recommended Next Steps

Action	Lead	Date
Engage OHMA with consolidation scenarios	GSA	1QFY16

Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

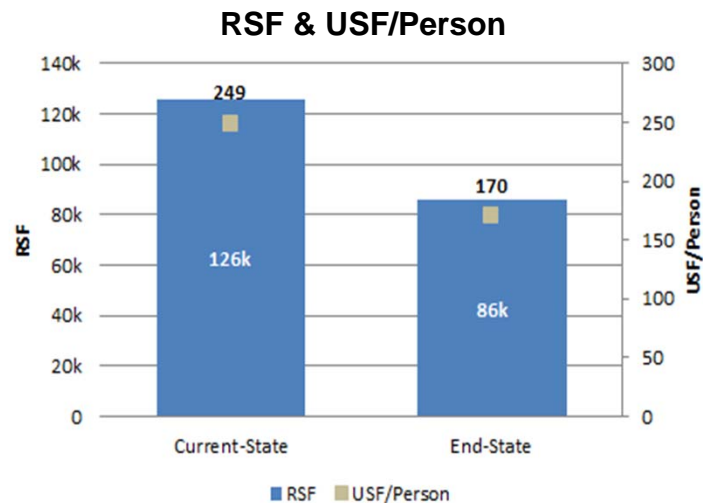
	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		1Q FY16	2.0M	\$2.0M	74,345	66,783	187	357	820
Target	Consolidation	3Q FY16	\$1.6M	\$802k	40,076	36,000	187	170	440
Annual TI payment in Rent =	\$700k	Cost / (Benefit)	(\$466k)	(\$1.2M)	(34,269)	(30,783)	0	(187)	(380)
# years TI is being amortized =	5	% Improvement	(23%)	(60%)	(46%)	(46%)		(52%)	(46%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$3.5M	\$0.00	\$752k	\$353k	\$200k	\$140k	\$1.4M	\$4.9M	2.8 years
Funding Source(s)	GSA		HHS	HHS	HHS	HHS	HHS		

Boston, MA | Right-size within Federal Building

- Currently HHS occupies 126k RSF in the JFK Federal Building in Boston, MA
- Current utilization in this location is 249 USF/Person
- Total annual rent expense is \$3.8M, \$30.24/RSF



Address	Owned/ Leased	RSF	USF/ Person	HC	\$/RSF	Annual Rent	Expiration
JFK FB – 15 New Sudbury Street	GSA Owned	125,704	249	376	\$30.24	\$3.8M	6/1/18

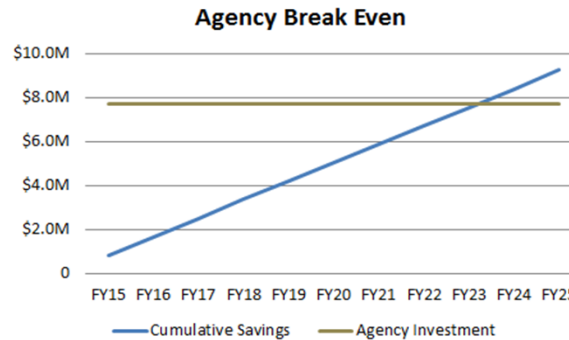
Boston, MA | Right-size within Federal Building

Opportunity Description

- HHS has the opportunity to right-size and lower annual rent expense
- Lower rents will allow HHS to also benefit by reducing rent from \$30/RSF to \$27/RSF
- Utilization improvement from 249 USF/Person to 170 USF/Person will also reduce HHS footprint by 32%
- Right-sizing and lower market rent could produce \$1.5M in annual rent savings and reduce HHS footprint by 40k RSF
- FY17 Consolidation funding may be an option to enable investments

Potential Benefits

- RSF Reduction: 40k RSF (32%)
- Annual Rent Savings (w/o TI): \$1.5M (39%)
- Total Investment Costs: \$18.6M
 - Total Agency Upfront Costs: \$7.7M
 - Total GSA/Lessor Upfront Costs: \$10.9M
- Agency Break Even: 9.2 years



Recommended Next Steps

Action	Lead	Date
Finalize POR, assign a new project manager, budget for RWA and any additional consolidations	HHS	3QFY16
Consider FY17 Consolidation fund submission	HHS	3QFY16
Identify swing space	GSA	3QFY16

Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

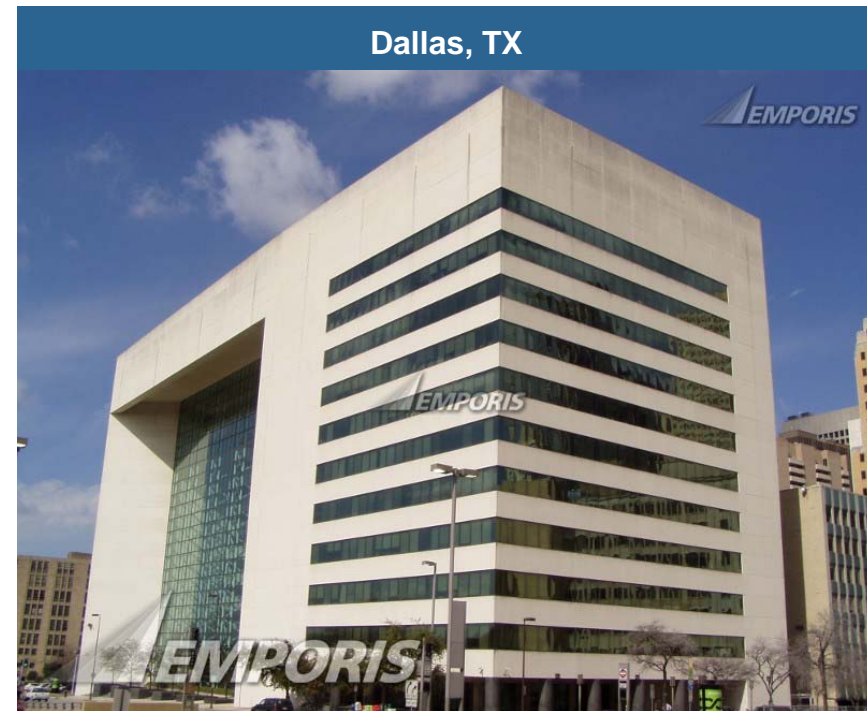
	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		2/1/15	\$3.8M	\$3.8M	125,704	93,641	376	249	1,383
Target	Right-size	6/1/19	\$3M	\$2.3M	85,806	63,920	376	170	944
Annual TI payment in Rent =	\$66k	Cost / (Benefit)	(\$840k)	(\$1.5M)	(39,898)	(29,721)	-	(79)	(439)
# years TI is being amortized =	12 Years	% Improvement	(22%)	(39%)	(32%)	(32%)	-	(32%)	(32%)

OPPORTUNITY INVESTMENT DATA

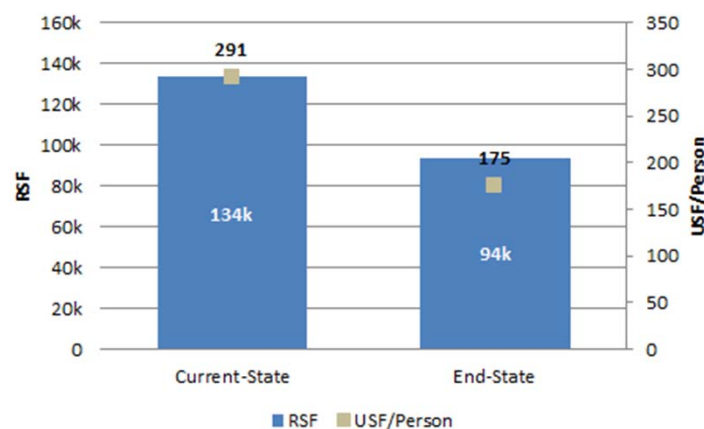
	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$10.9M				\$0.9M	\$6.8M	\$7.7M	\$18.6M	9.2 years
Funding Source(s)	GSA				HHS	HHS			

Dallas, TX | Right-size within Lease

- In Dallas, HHS occupies 117 RSF in a lease at 1301 Young Street with an annual rent of \$3.3M
- The current utilization for the 516 HHS personnel in this location is 227 USF/Person
- Rent for this lease is \$25/RSF and slightly above market asking rent of \$23/RSF



RSF & USF/Person



Address	Owned/ Leased	RSF	USF/ Person	HC	\$/RSF	Annual Rent	Expiration
1301 YOUNG ST	GSA Leased	133,597	291	402	\$24.70	\$3.3M	8/25/17

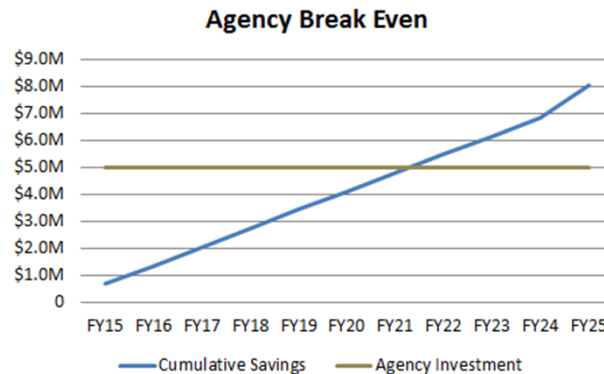
Dallas, TX | Right-size within Lease

Opportunity Description

- HHS has the opportunity to right-size leased premises at a lower rent rate
- Lower market rents may allow HHS to also benefit by reducing rent from \$25/RSF to \$23/RSF
- Utilization improvement from 227 USF/Person to 137 USF/Person will also reduce HHS footprint by 30%
- Right-sizing could produce \$1.2M in annual rent savings and reduce HHS footprint by 40k RSF

Potential Benefits

- RSF Reduction: 40k RSF (30%)
- Annual Rent Savings (w/o TI): \$1.2M (36%)
- Total Investment Costs: \$7.7M
 - Total Agency Upfront Costs: \$5.0M
 - Total GSA/Lessor Upfront Costs: \$2.7M
- Agency Break Even: 7.3 years



Recommended Next Steps

Action	Lead	Date
Submit RLP	GSA	1QFY16
Conduct Market Survey	GSA	1QFY16

Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		6/1/13	\$3.3M	\$3.3M	133,597	117,097	402	291	1,470
Target	Right-size	9/16/15	\$2.6M	\$2.1M	93,914	81,664	466	175	1,033
Annual TI payment in Rent =	\$0.5M	Cost / (Benefit)	(\$684k)	(\$1.2M)	(39,683)	(35,433)	64	(116)	(437)
# years TI is being amortized =	10 Years	% Improvement	(21%)	(36%)	(30%)	(30%)	16%	(40%)	(30%)

OPPORTUNITY INVESTMENT DATA

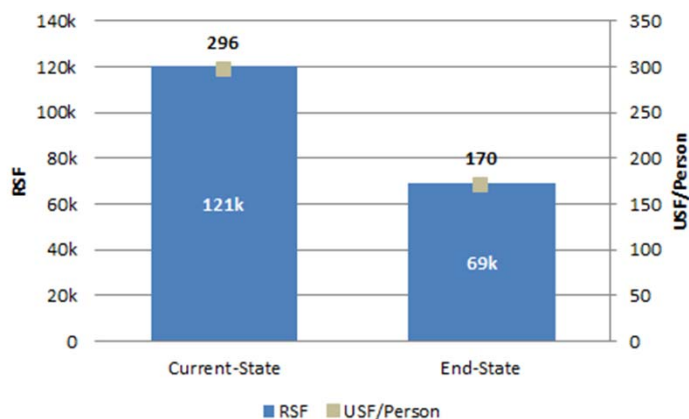
	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$2.7M		\$3.4M	\$699k	\$466k	\$449k (Custom TI)	\$5.0M	\$7.7M	7.3 years
Funding Source(s)	GSA-Consolidation Fund		HHS	HHS	HHS	HHS - RWA			

Philadelphia, PA | Right-size within Lease

- In Philadelphia, HHS occupies 106 RSF in a lease at 150 Independence Mall with an annual rent of \$2.6 M
- The current utilization for the 357 HHS personnel in this location is 296 USF/Person
- Lease expiration is 1/1/18
- Rent for this lease is \$21.82/RSF and below market asking rent of \$25/RSF



RSF & USF/Person



Address	Owned/ Leased	RSF	USF/ Person	HC	\$/RSF	Annual Rent	Expiration
1. Public Ledger Bldg - 150 S INDEPENDENCE MALL W	GSA Leased	120,630	296	357	\$21.82	\$2,631,841	1/1/18

Philadelphia, PA | Right-size within Lease

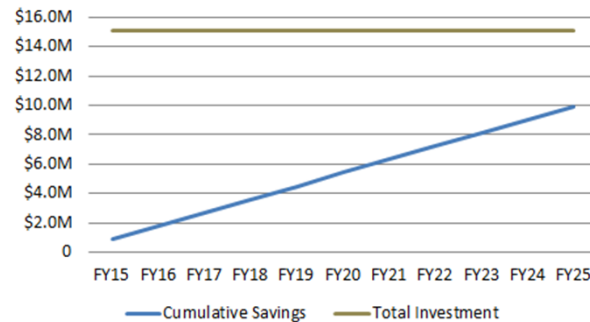
Opportunity Description

- HHS has the opportunity to right-size and improve utilization from 296 USF/Person to 170 USF/Person
- Action will also reduce HHS footprint by 51,432 RSF, a 43% reduction
- Right-sizing could produce \$900k in annual rent savings

Potential Benefits

- RSF Reduction: 51k RSF (43%)
- Annual Rent Savings (w/o TI): \$0.9M (35%)
- Total Investment Costs: \$15.1M
 - Total Agency Upfront Costs: \$7.3M
 - Total GSA/Lessor Upfront Costs: \$7.8M
- Agency Break Even: 18.3 years

Agency Break Even



Recommended Next Steps

Action	Lead	Date
Complete POR	GSA	1QFY16

Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

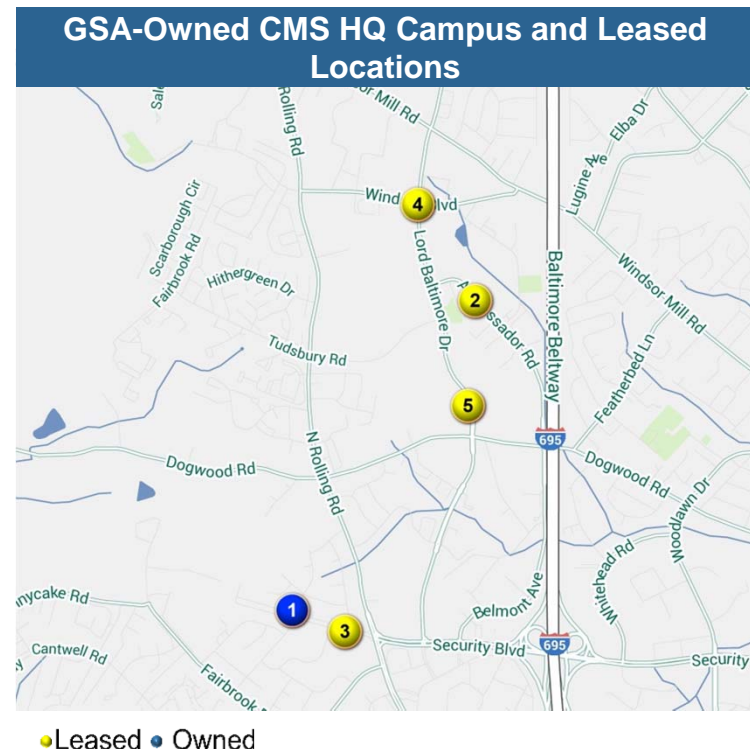
	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		4QFY14	\$2.6M	\$2.6M	120,630	105,786	357	296	1,327
Target		1QFY18	\$2.7M	\$1.7M	69,198	60,690	357	170	761
Annual TI payment in Rent =	\$1.0M	Cost / (Benefit)	\$0.1M	(\$0.9M)	(51,432)	(45,096)	-	(126)	(566)
# years TI is being amortized =	10 Years	% Improvement		(35%)	(43%)	(43%)	-	(43%)	(43%)

OPPORTUNITY INVESTMENT DATA

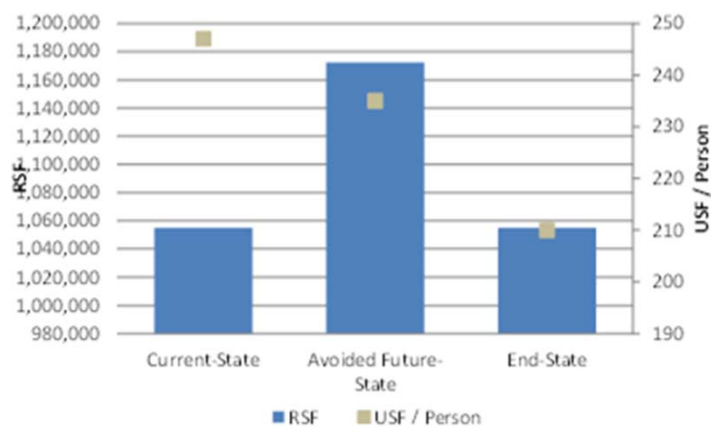
	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$7.8M		\$3.2M	\$3.2M	\$0.9M		\$7.3M	\$15.1M	18.3 years
Funding Source(s)	GSA		FIT	FIT	Agency				

Woodlawn, MD | Optimize CMS Portfolio

- In Woodlawn, MD the Centers for Medicare & Medicaid Services (CMS) lease four locations in close proximity to the GSA-owned, HHS Woodlawn HQ campus
- By the end of FY16, 100k RSF of leases will expire representing \$2.3M in annual rent costs for CMS
- CMS engaged GSA Region 3 in a Workplace Study to identify ways to increase capacity of the existing building
 - CMS has a need (and authority to hire) up to 600 new FTE's in or near the Woodlawn campus
 - Increasing density at HQ will enable CMS to avoid signing future leases to accommodate planned personnel growth
 - If CMS went to market to lease space, they would need approximately 117k RSF to house the new personnel



RSF & USF/Person



Address	Owned/ Leased	RSF	\$/RSF	Annual Rent	Expiration
1. 7500 Security Blvd	Owned	788k	\$7.03	\$5.9M	11/30/2024
2. 7210 Ambassador Rd	Leased	78k	\$26.78	\$2.1M	2Q FY21
3. 7111 Security Blvd	Leased	78k	\$24.25	\$1.9M	3Q FY20
4. 7205 Windsor Blvd	Leased	88k	\$31.00	\$2.7M	4Q FY21
5. 2520 Lord Baltimore	Leased	23k	\$16.67	\$0.4M	3Q FY17
Totals	N/A	1.1M	\$11.68	\$13.0M	N/A

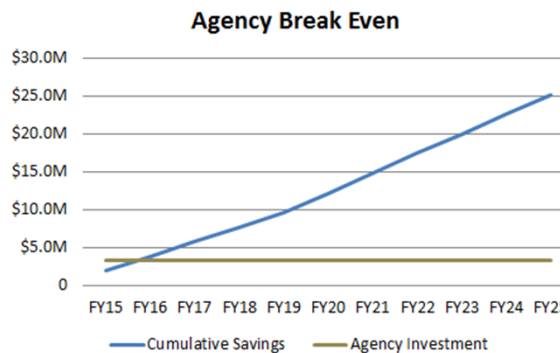
Woodlawn, MD | Optimize CMS Portfolio

Opportunity Description

- Reconfiguration of Woodlawn HQ to accommodate additional hires will enable CMS to avoid committing to new leases
- CMS would realize a significant rent avoidance by housing the anticipated 600 additional personnel at the GSA-owned campus instead of signing new leases in Suburban Baltimore
- Reconfiguration will achieve an improved Utilization Rate closer to HHS target of 170 USF/Person
- Continue to explore consolidation of expiring leases into GSA-owned CMS campus for further cost savings
- A final report has been prepared by NBBJ and is currently being reviewed. CMS requested a furniture pilot to determine if smaller workstations can be used in their decision planning.
- GSA will implement workplace improvements for an initial portion of space, 10% of the total complex space
- This project (Phase 1) shall utilize workplace recommendations to improve space efficiency and replace furniture and finishes.

Potential Benefits

- RSF Reduction: 117,300 (10%)
- Annual Rent Savings (w/o TI): \$2.6M (17%)
- Total Investment Costs: \$8.3M
 - Total Agency Upfront Costs: \$3.3M
 - Total GSA/Lessor Upfront Costs: \$5.0M
- Agency Break Even: 1.7 years



Recommended Next Steps

Action	Lead	Date
Complete study & develop HQ reconfiguration plans	GSA and CMS	1QFY15
Finalize restacking plans for Phase 1	GSA and CMS	4QFY15
Complete Phase 1	GSA and CMS	4QFY17

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

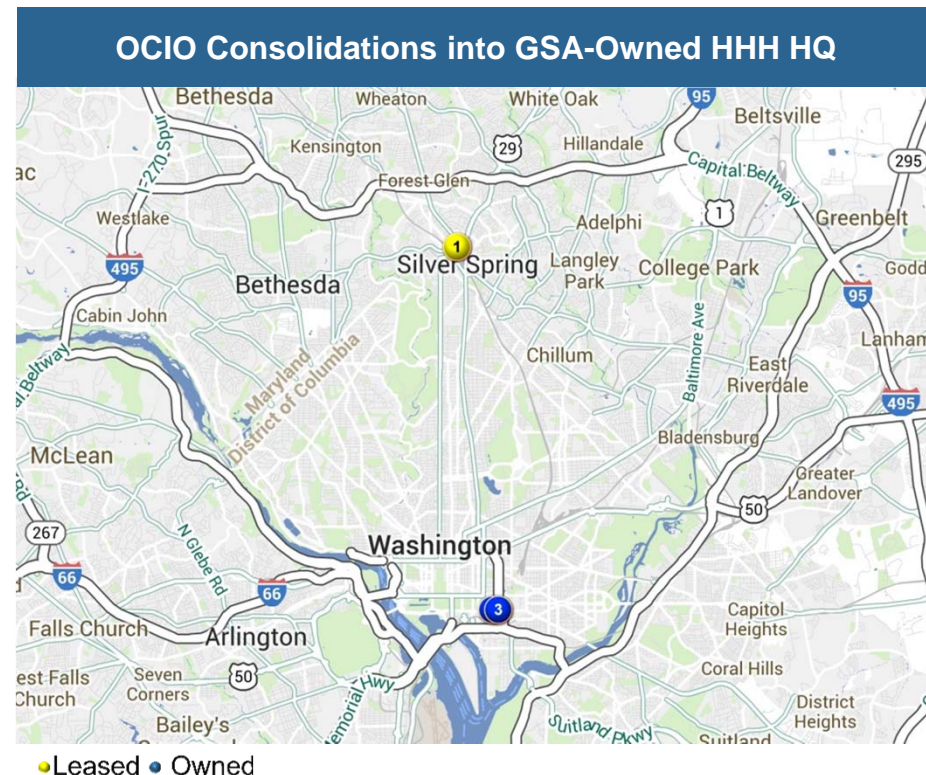
	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$13.0M	\$13.0M	1,054,905	852,243	3,452	247	11,604
Avoided Future State			\$15.6M	\$15.6M	1,172,205	954,243	4,052	235	12,894
Target	Cost Avoidance	4Q FY17	\$13.7M	\$13.0M	1,054,905	852,243	4,052	210	11,604
Annual TI Payment in Rent =		\$0.7M	Cost / (Benefit):	(\$2.6M)	(117,300)	(102,000)	-	(25)	(1,290)
# of years TI is being amortized =		5 years	% Improvement:	(17%)	(10%)	(11%)	-	(11%)	(10%)

OPPORTUNITY INVESTMENT DATA

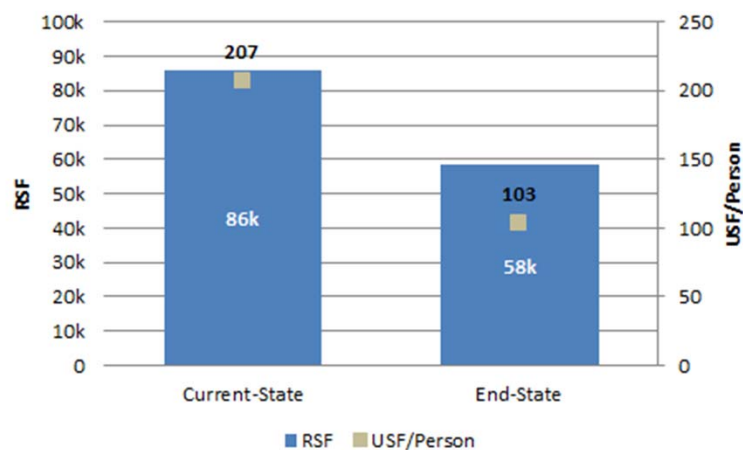
	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$5.0M		\$3.0M		\$306k		\$3.3M	\$8.3M	1.7 years
Funding Source(s)	GSA		HHS		HHS				

Washington, DC | Consolidate OCIO Leases into HHH

- Three locations in the Washington, DC region house 328 Office of the Chief Information Office (OCIO) personnel
- The Hubert H. Humphrey (HHH) federal building serves as HHS HQ and will be the consolidated home to the three listed OCIO occupancies
- The HHH federal building has an inefficient space layout and presents an average RSF/USF factor of 1.79
- HHS has retained the GSA Workplace Team to explore a pilot program to reconfigure the 3rd floor at HHH to achieve greater space efficiency to enable consolidation



RSF & USF/Person



Address	Owned/ Leased	RSF	\$/RSF	Annual Rent	Expiration
1. 8455 Colesville Road*	Leased	35k	\$34.33	\$1.2M	3Q FY15
2. Cohen Building	Owned	12k	\$24.06	\$0.3M	N/A
3. Hubert H. Humphrey FOB (HQ)*	Owned	26k	\$45.00	\$1.2M	N/A

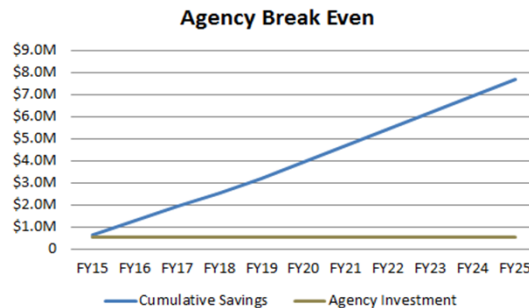
Washington, DC | Consolidate OCIO Leases into HHH

Opportunity Description

- Consolidate three OCIO occupied locations (two owned and one leased) into the reconfigured HHH 3rd floor (33,700 USF)
 - Consolidate HHH Building
 - Backfill Wilbur J. Cohen Building
 - Exit 8455 Colesville Road
- The consolidation will result in a significant utilization improvement to a targeted rate of 103 USF/Person
- Upon successful consolidation, the OCIO 3rd floor at HHH will serve as a model for HHS as an innovative workplace solution

Potential Benefits

- RSF Reduction: 37k (50%)
- Annual Rent Savings (w/o TI): \$750k
- Total Investment Costs: \$14.0M
 - Total Agency Upfront Costs: \$0.5M
 - Total GSA/Lessor Upfront Costs: \$13.5M
- Agency Break Even: 0.8 years



Recommended Next Steps

Action	Lead	Date
Complete Design	GSA and HHS	1QFY16
Initiate efforts to exit expiring lease	GSA and HHS	1QFY16

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

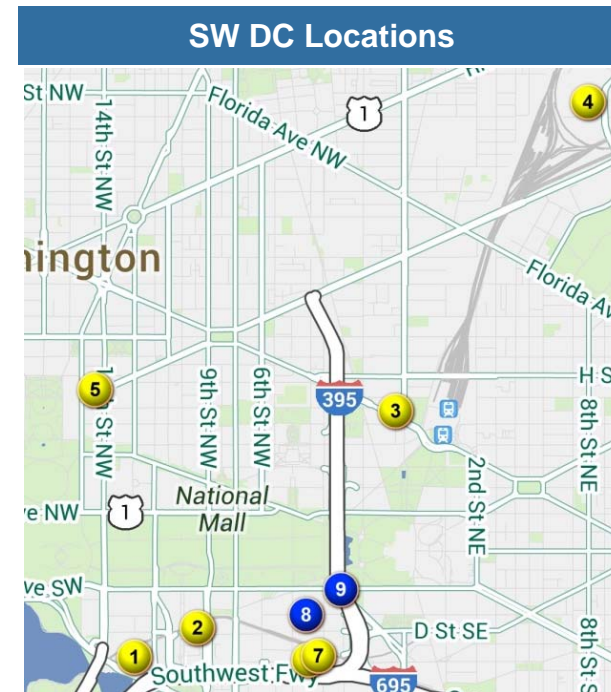
	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		2Q FY14	\$3.0M	\$3.0M	85,834	67,828	328	207	944
Target	Consolidation	1Q FY16	\$2.4M	\$2.3M	58,339	33,700	328	103	642
Annual TI Payment in Rent =		\$0.1M	Cost / (Benefit):	(\$750k)	(27,495)	(34,128)	-	(104)	(302)
# of years TI is being amortized =		5 years	% Improvement:	(25%)	(32%)	(50%)	-	(50%)	(32%)

OPPORTUNITY INVESTMENT DATA

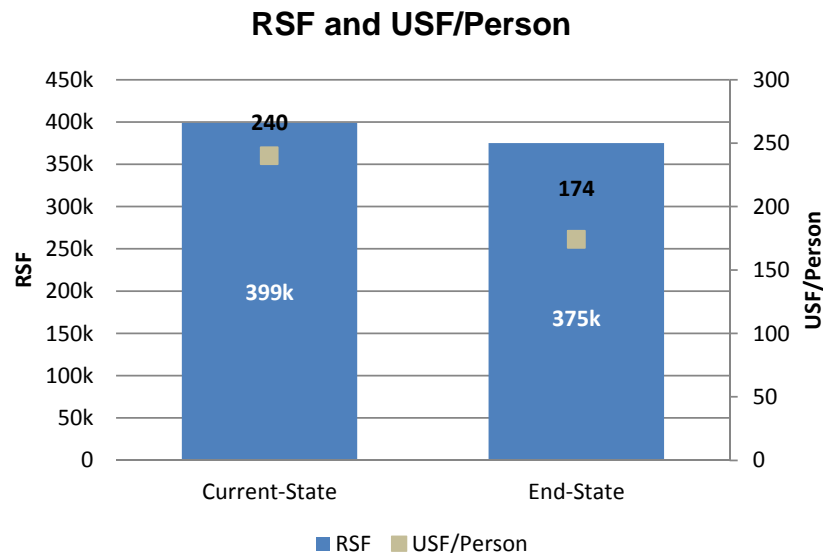
	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$5.7M		\$1.9M	\$4.8M	\$0.5M	\$1.1M	\$0.5M	\$14.0M	0.8 years
Funding Source(s)	GSA		GSA	GSA	HHS	GSA			

Washington, DC | Switzer Consolidation

- HHS occupies approximately 399k RSF in the greater Washington, DC area at an annual cost of \$19.1M
- In this footprint, HHS houses 1,627 personnel, at an average Utilization Rate of 240 USF/Person
- The majority of the space is leased and all will expire by July 2016 when renovations are complete at the Mary E. Switzer Building, a federally owned property
- HHS currently occupies a small portion of the Switzer Building and will have excess capacity to consolidate these leased locations and improve space utilization after Switzer Building renovations are complete



● Leased ● Owned



Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	HC	Expiration
1. 1250 Maryland Ave, SW	Leased	55k	\$49.68	\$2.7M	248	1Q FY15
2. 901 D Street, SW	Leased	187k	\$46.41	\$8.7M	806	1Q FY15
3. One Mass Ave, NW	Leased	46k	\$43.76	\$2.0M	150	4Q FY14
4. 800 North Capitol St, NW	Leased	31k	\$48.31	\$1.5M	88	3Q FY14
5. 1425 New York Ave, NW	Leased	8k	\$41.81	\$0.3M	25	1Q FY14
6. 355 E St, SW	Leased	13k	\$47.23	\$0.6M	67	3Q FY16
7. 425 3 rd St, SW	Leased	10k	\$45.54	\$0.5M	46	2Q FY16
8. Switzer FB	Owned	23k	\$40.14	\$0.9M	122	2Q FY18
9. HHH FB	Owned	24k	\$45.00	\$1.1M	75	N/A

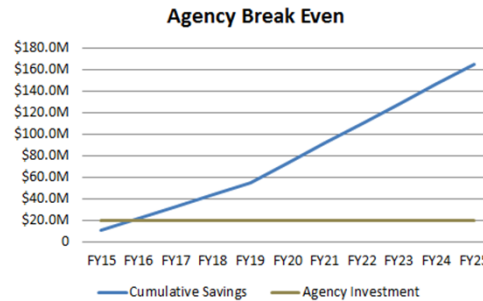
Washington, DC | Switzer Consolidation

Opportunity Description

- HHS identified seven lease locations, totaling 339k USF in the Washington, DC area to consolidate into the Switzer Building
- HHS currently occupies 23k RSF at the GSA-owned Mary E. Switzer Federal Office Building in SW Washington, DC
- Through leased-to-owned consolidation, HHS will reduce leased annual rent by \$17.4M
- Consolidating into Switzer aligns with HHS's vision of centralizing operations in SW DC and creating an HHS federal campus

Potential Benefits

- RSF Reduction: 24k (6%)
- Annual Rent Savings (w/o TI): \$1.0M (5%)
- Annual Leased Cost Avoidance: \$17.4M
- Total Investment Costs: \$57.4M
 - Total Agency Upfront Costs: \$20M
 - Total GSA/Lessor Upfront Costs: \$37.4M
- Agency Break Even: 1.8 years



Recommended Next Steps

Action	Lead	Date
Complete Construction and Furniture Installations	GSA	1QFY16
Fully Occupy Building	GSA and HHS	1QFY16

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		4Q FY14	\$19.1M	\$19.1M	399,031	338,557	1,627	240	4,389
Target	Consolidation	3Q FY15	\$25.4M	\$18.1M	374,810	281,104	1,627	174	4,123
Annual TI Payment in Rent =		\$7.5M	Cost / (Benefit):	(\$1.0M)	(24,221)	(57,453)	-	(66)	(266)
Annual Leased Cost Avoidance=				(\$17.4M)					
# of years TI is being amortized =		5	% Improvement:	(5%)	(6%)	(17%)	-	(28%)	(6%)

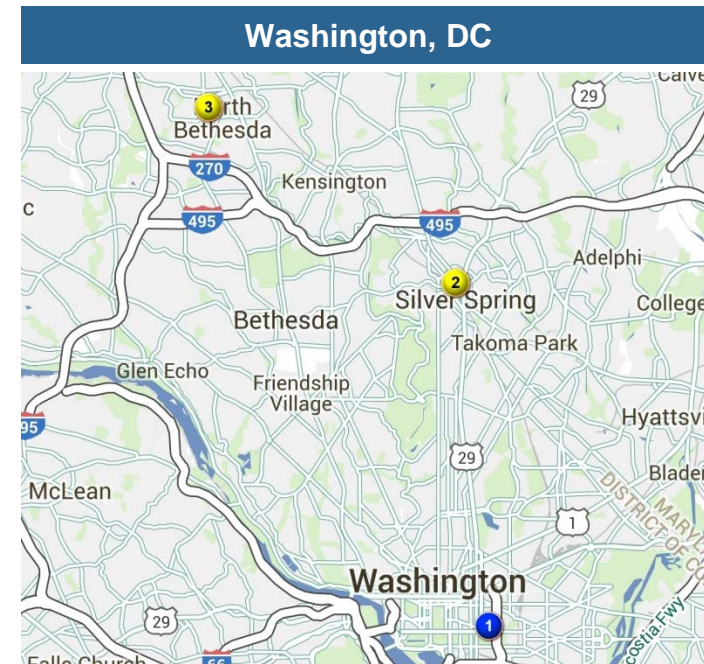
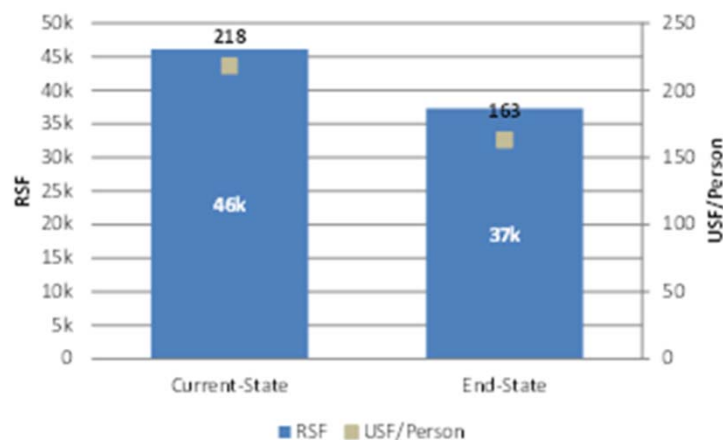
OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$16.4M	\$	\$18.4M	\$18.4M	\$1.5M	\$2.8M	\$20.0M	\$57.4M	1.8 years
Funding Source(s)	GSA + Agency		GSA + Agency	GSA + Agency	GSA + Agency	GSA + Agency			

Washington, DC | Switzer Lower Level Improvements

- HHS occupies space in the Mary E. Switzer Federal Building where it is converting lower level storage area into office space
- This project will enable HHS to move various financial, training and HR functions currently housed in remote GSA leases to lower level Switzer. Operational efficiencies will be realized due to proximity of HHS headquarters (Hubert H. Humphrey Building) and the shared HHS services at Switzer.
- The remote locations where HHS will be partially reducing headcount are 8455 Colesville Rd and 6100 Executive Blvd

RSF and USF/Person



● Leased ● Owned

Building	Owned/Leased	RSF	\$/RSF	Annual Rent	HC
1. Switzer FB	Owned	46k	\$49.22	\$2.3M	176
2. 8455 Colesville Rd	Leased	121k	\$32.56	\$3.9M	N/A
3. 6100 Executive Blvd	Leased	83k	\$35.10	\$2.9M	N/A

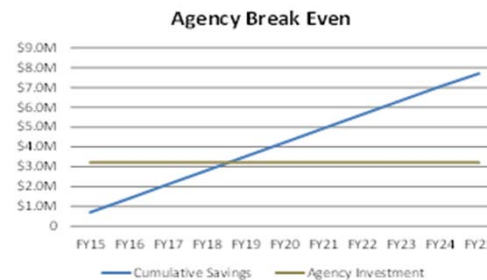
Washington, DC | Switzer Lower Level Improvements

Opportunity Description

- By converting storage area to office area, the project will improve the overall Utilization Rate of the federal asset and enhance the opportunity for HHS to consolidate into the building from leased properties
- HHS will reduce the footprint from 46,080 RSF in a lease to 37,310 RSF at Switzer, a 19% reduction
- The project would avoid taxpayer leasing costs of approximately \$2,614,578 annually
- All-in utilization improves from 218 to 163 USF/Person, a 25% improvement

Potential Benefits

- RSF Reduction: 9k (19%)
- Annual Rent Savings (w/o TI): \$655k (29%)
- Total Investment Costs: \$9.0M
 - Total Agency Upfront Costs: \$3.2M
 - Total GSA/Lessor Upfront Costs: \$5.8M
- Agency Break Even: 4.6 years



Recommended Next Steps

Action	Lead	Date
Completed	GSA HHS	4QFY15

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

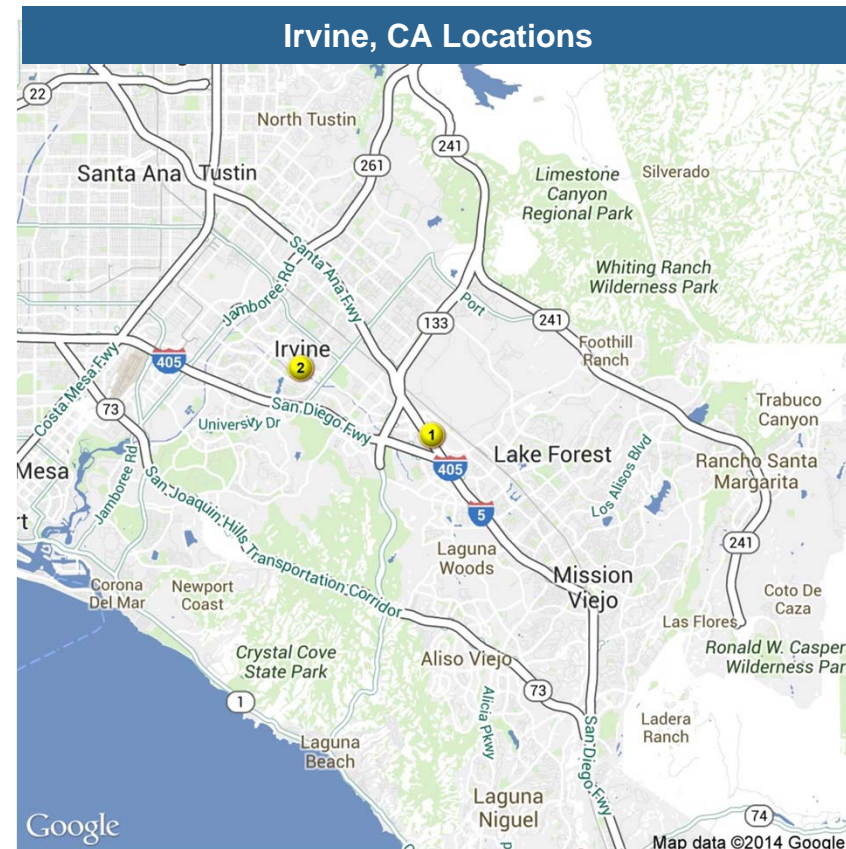
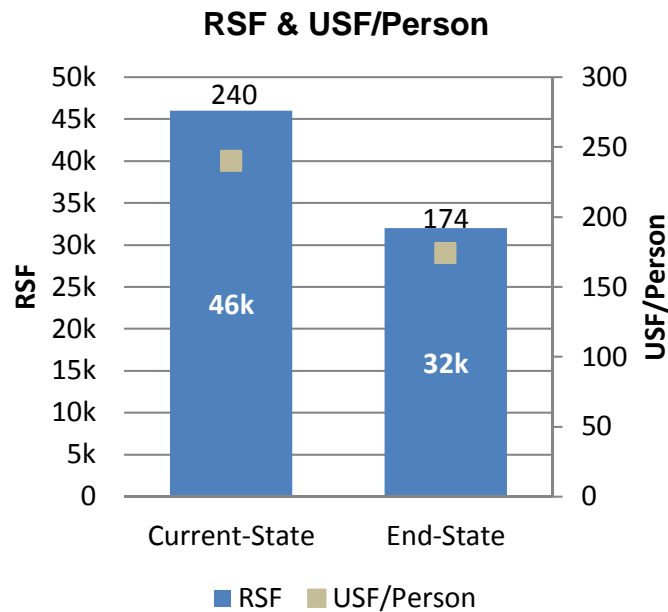
	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		1QFY15	\$2.8M	\$2.3M	46,080	38,400	176	218	507
Target	Relocation	1QFY16	\$2.1M	\$1.6M	37,310	28,700	176	163	410
Annual TI payment in Rent =	\$493k	Cost / (Benefit)	(\$705k)	(\$655k)	(8,770)	(9,700)	-	(55)	(96)
# years TI is being amortized =	10	% Improvement	(25%)	(29%)	(19%)	(25%)	-	(25%)	(19%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$5.8M		\$1.5M	\$1.5M	\$216k		\$3.2M	\$9.0M	4.6 years
Funding Source(s)	GSA		HHS	HHS	HHS				

Irvine, CA | OMHA Relocation to Leased

- The Office of Medicare Hearings and Appeals (OMHA) leases approximately 46k RSF in Irvine, CA to support regional operations
- The current lease expires on 06/02/2015
- Current occupancy has a Utilization Rate of 314 USF/Person compared to the target of 197 USF/Person
- The agency has worked closely with GSA R9 and the CPP team to identify an optimal relocation scenario for this location based upon updated workplace standards



Address	Owned/ Leased	RSF	USF/Person	HC	\$/RSF	Annual Rent	Expiration
1. 27 Technology Dr	GSA Leased	45,540	314	136	\$32.98	\$1.5 M	3QFY15
2. 19 Technology Dr	GSA Leased	31,762	209	139	\$34.66	\$0.7M	3QFY25

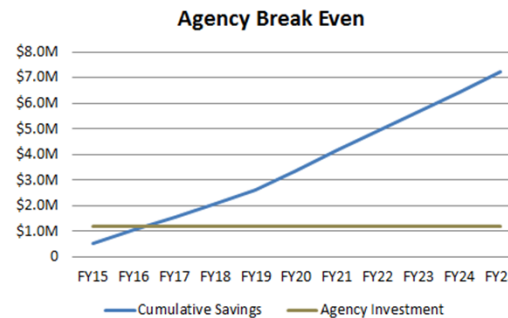
Irvine, CA | OMHA Relocation to Leased

Opportunity Description

- The new lease was awarded on 06/27/2014 to relocate HHS OMHA's current occupancy at 27 Technology Drive to 19 Technology Drive upon lease expiration
- The new footprint requirements developed by OMHA and GSA Region 9 will reduce total occupancy by 30% and improve utilization by 33%
- Newly negotiated lease rates will reduce annual rent by \$0.4M after TI's are amortized (\$2.6M in build out costs)
- Target utilization without special space included is 166 USF/Person

Potential Benefits

- RSF Reduction: 13,778 (30%)
- Annual Rent Savings (w/o TI): \$767k (51%)
- Total Investment Costs: \$3.8M
 - Total GSA/Lessor Upfront Costs: \$2.6M
 - Total Agency Upfront Costs: \$1.2M
- Agency Break Even: 2.3 years



Recommended Next Steps

Action	Lead	Date
Determine TI Cost	Jason Reising	1QFY15
Construction	Jason Reising	2QFY14
Substantial Completion	Jason Reising	2QFY15

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

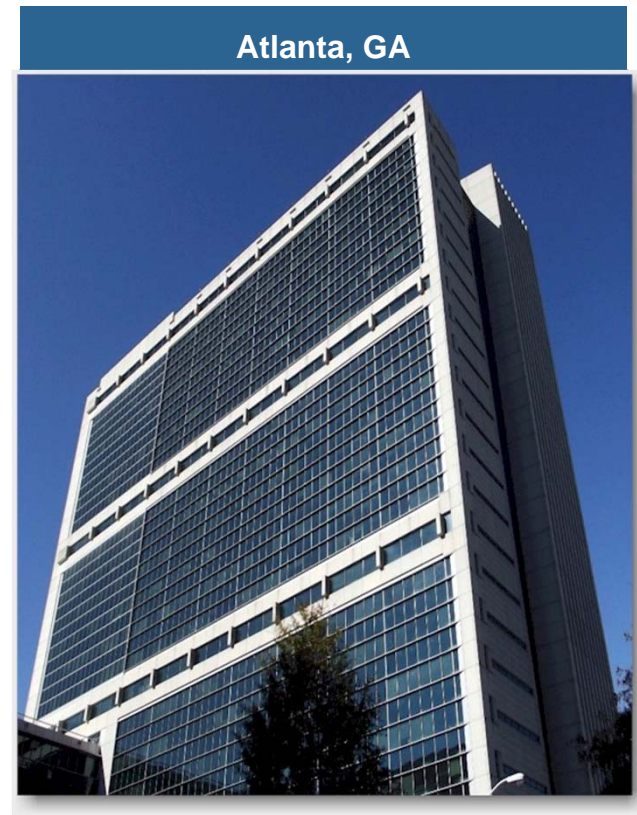
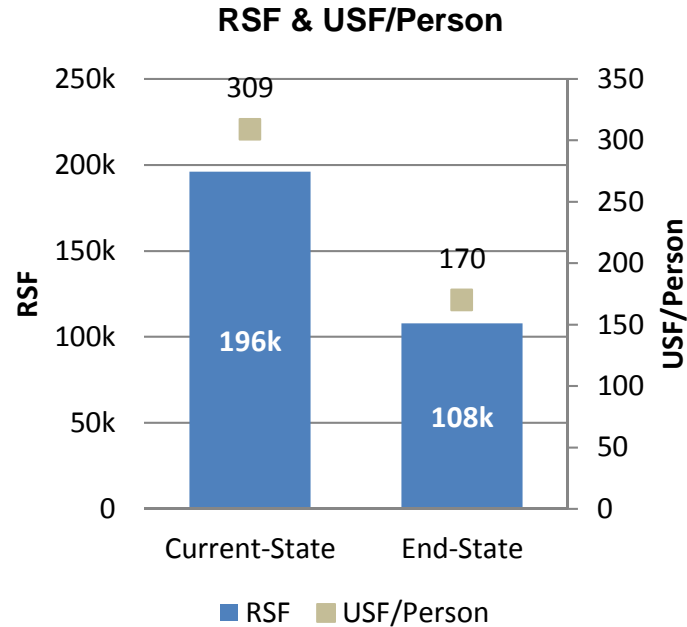
	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline			\$1.5M	\$1.5M	45,540	42,771	136	314	501
Target	Relocation	4Q FY15	\$1.1M	\$0.7M	31,762	29,013	139	209	349
Annual TI Payment in Rent =		\$0.4M	Cost / (Benefit):	(\$0.8)	(13,778)	(13,758)	3	(105)	(150)
# of years TI is being amortized =		5 years	% Improvement:	(51%)	(30%)	(32%)	2%	(33%)	(30%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$2.6M	\$0	\$338k	\$700k	\$145k	\$0	\$1.2M	\$3.8M	2.3 years
Funding Source(s)	GSA		Agency	Agency	Agency				

Atlanta, GA | Right-size within Lease

- In Atlanta, HHS leases 195k RSF in the Sam Nunn Building at 100 Alabama St SW with an annual rent of \$4.5M
- Current utilization by the 475 personnel in this location is 309 USF/Person
- Rent per square foot in this lease is \$23.07/RSF and below market asking rent of \$25/RSF



Address	Owned/ Leased	RSF	USF/ Person	HC	\$/ RSF	Annual Rent	Expiration
Sam Nunn Bldg - 100 ALABAMA ST SW	GSA Leased	195,628	309	475	\$23.07	\$4.5	11/1/17

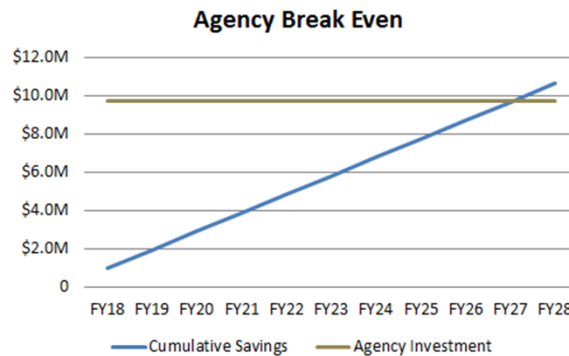
Atlanta, GA | Right-size within Lease

Opportunity Description

- HHS has the opportunity to right-size in the current space or another lease location
- Utilization improvement from 309 USF/Person to 170 USF/Person will also reduce HHS footprint by 45%
- Right-sizing could produce \$1.8M in annual rent savings and reduce HHS footprint by 88k RSF
- HHS and GSA are pursuing the FIT Program to optimize investment returns for the agency

Potential Benefits

- RSF Reduction: 88k RSF (45%)
- Annual Rent Savings (w/o TI): \$1.8M (40%)
- Total Investment Costs: \$22.2M
 - Total Agency Upfront Costs: \$9.7M
 - Total GSA/Lessor Upfront Costs: \$12.5M
- Agency Break Even: 10 years



Recommended Next Steps

Action	Lead	Date
Strategy to address lease expiration	GSA	2QFY16
Develop POR	GSA	4QFY16

Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (incl. TI*)	Annual Rent (w/o TI)	RSF	USF	HC	All-in U/R (USF/Person)	GHG Emissions (Tons)
Baseline		FY18	\$4.5M	\$4.5M	195,628	146,834	475	309	2,152
Target	Right-size	FY20	\$3.5M	\$2.7M	107,584	80,750	475	170	1,183
Annual TI payment in Rent =	\$833k	Cost / (Benefit)	(\$967k)	(\$1.8M)	(88,044)	(66,084)	-	139	(969)
# years TI is being amortized =	15 Years	% Improvement	(21%)	(40%)	(45%)	(45%)	-	(45%)	(45%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	IT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$12.5M				\$1.1M	\$8.6M	\$9.7M	\$22.2M	10 years
Funding Source(s)	GSA				HHS	HHS			



SECTION 4

Next Steps

Next Steps

Task	Who	Timeframe
<ul style="list-style-type: none"> Submit the Portfolio Review and Recommendations Report to OMB 	GSA	Sep 30, 2015
<ul style="list-style-type: none"> Discuss FY16 Consolidation Funding Opportunities 	HHS and GSA	Oct 2015
<ul style="list-style-type: none"> Formalize follow-up reviews of the plan on a recurring six month cycle 	HHS and GSA	Oct 2015
<ul style="list-style-type: none"> Develop Action Plan for new opportunity identification in the following areas: <ul style="list-style-type: none"> Office market driven lease savings Vacant Federal space options and more consolidation opportunities Locations with mission changes requiring new FTE's Occupancy in smart federal buildings 	HHS and GSA	Nov 2015
<ul style="list-style-type: none"> Investigate potential for new opportunities for FY16 	GSA	Mar 2016
<ul style="list-style-type: none"> Vet new opportunities with GSA Regions and HHS 	GSA and HHS	April 2016
<ul style="list-style-type: none"> Submit FY16 PR3 	GSA	Sep 2016

Planned & In Progress Projects

Project	Description	Change in RSF*	Projected Rent Reduction	NOTES
IHS Lease Consolidations into 5600 Fishers Lane	<ul style="list-style-type: none"> The IHS office in Albuquerque, 5300 Homestead Road, houses 200 personnel to support IHS HQ operations in Suburban MD; approximately half those personnel will be moving into 5600 Fishers Lane in Suburban MD 	(35,000 USF)	TBD	Reduced USF based upon new overall 183 UR at 5600 Fishers Lane; final headcount moving from NM to MD TBD
HHS Nationwide Consolidation	<ul style="list-style-type: none"> HHS is determining which locations in NCR will be consolidating 	TBD	TBD	Will be included in the FY15 CPP and have requested FY15 Consolidation Funds
Boston Regional Office Right-sizing	<ul style="list-style-type: none"> GSA is working with HHS to determine appropriate right-sizing strategy 	TBD	TBD	Will be included in the FY15 CPP and have requested FY15 Consolidation Funds
Dallas Regional Office Right-sizing	<ul style="list-style-type: none"> GSA is working with HHS to determine appropriate right-sizing strategy 	TBD	TBD	Will be included in the FY15 CPP and have requested FY15 Consolidation Funds
Philadelphia Regional Office Right-sizing	<ul style="list-style-type: none"> GSA is working with HHS to determine appropriate right-sizing strategy 	TBD	TBD	Will be included in the FY15 CPP and have requested FY15 Consolidation Funds
Denver Regional Office Relocation	<ul style="list-style-type: none"> Moving from leased space into the Byron Rogers Federal Building in downtown Denver 	(9,984 USF)	\$40,859/year	This project is scheduled to be completed in 1Q FY15. Overall UR drops from 270 to approx. 191



SECTION 5

Supporting Detail

The HHS portfolio is large and complex

Observations:

Footprint

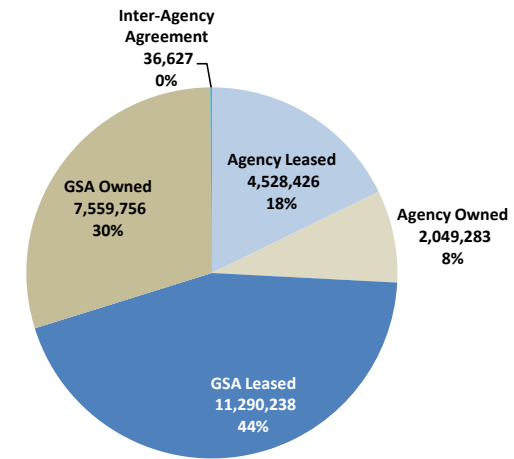
- HHS Portfolio is 25.5M RSF with an annual rent of \$576.1M*
- 38% Owned 9.6M RSF
 - 30% GSA-owned 7.6M RSF
 - 8% HHS-owned 2.0M RSF
- 62% Leased 15.8M RSF with an annual rent of \$383.7 (\$24.26/RSF)
 - 44% GSA-leased 11.3M RSF
 - 18% HHS-leased 4.5M RSF

Property Type

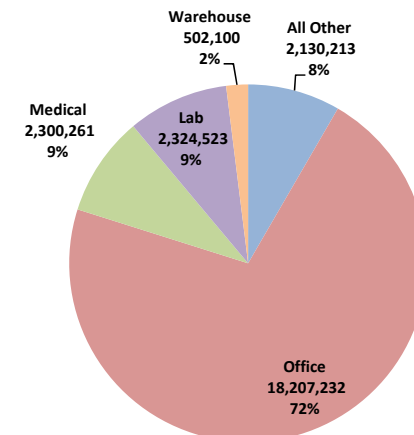
- 72% of the HHS portfolio is composed of office space:
 - Greatest potential for utilization improvement opportunities is found in the 18.2M RSF of office space

*Does not include HHS owned rent

RSF by Managing Entity



RSF by Property Use Type (GSA and HHS Managed)

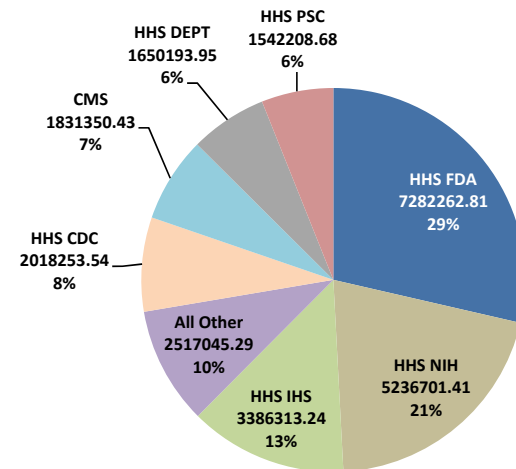


The majority of the HHS portfolio is occupied by Seven landholding Operating Divisions (OpDivs)

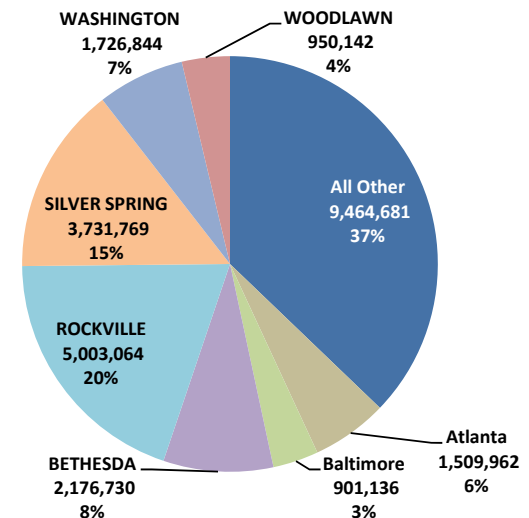
Observations:

- 90% of the total portfolio is occupied by Seven landholding OpDivs – NIH, CMS, PSC, DEPT, IHS, FDA & CDC
- IHS occupancies are primarily hospitals, clinics and housing, which limit the potential optimization opportunities
- There is significant presence (62% of total GSA controlled portfolio) in these seven key cities Atlanta, Baltimore, Bethesda, Rockville, Silver Spring, Washington, DC, and Woodlawn
- 55% of the total portfolio is in region National Capital Region

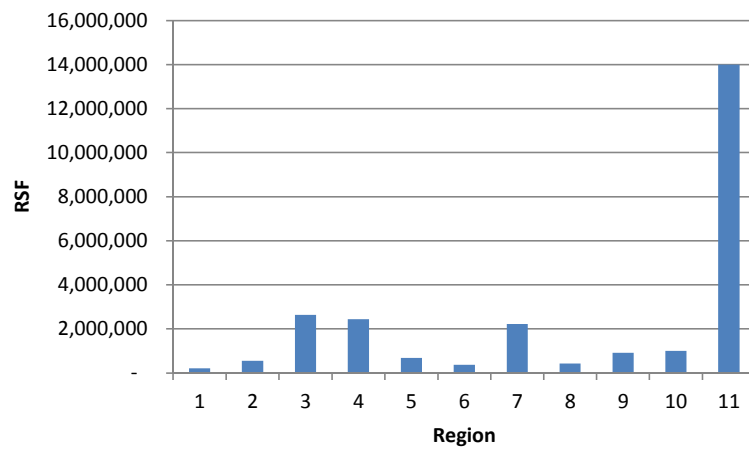
Operating Division RSF Across the National Portfolio



RSF by Major Cities



RSF by Region



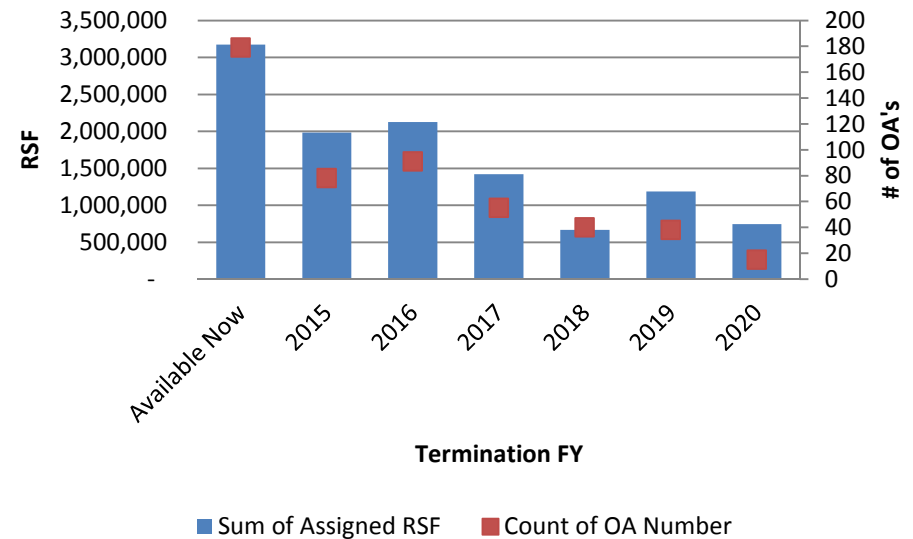
HHS portfolio Expirations

Observations:

Lease Expirations

- Within the HHS portfolio, 46% (512 OA's) of the total RSF expire between FY15 and FY20
- Markets with a high concentration of lab and special purpose space have limited flexibility and are less likely to have high potential for savings

Lease Terminations in the next five years





SECTION 6

Appendix

CPP Team Roster

Definitions

Portfolio (MDT) Data

Acronyms Used in this Report

Acronym	Definition
CDC	Centers for Disease Control and Prevention
CMS	Centers for Medicare & Medicaid Services
FDA	U.S. Food and Drug Administration
FY	Fiscal Year The federal government's fiscal year runs from October 1 of the previous calendar year to September 30 of the year with which it is numbered.
GHG	Greenhouse Gas
GSA	General Services Administration
HHS	Department of Health and Human Services
HQ	Headquarters
IHS	Indian Health Service
k	Thousand
M	Million
NCR	National Capital Region
NIH	National Institutes of Health
OpDiv	Operating Division
ORA	Office of Regulatory Affairs, Food & Drug Administration (FDA)
Payback	The payback period is calculated by dividing the total investment cost by run-rate annual savings
RSF	Rentable Square Feet The rentable area typically includes the usable area within the tenant's premises plus an allocation of common areas of the building. Source: GSA Workplace
UR	Utilization rate (USF/person) To calculate space efficiency of a location, divide total usable square feet by the personnel that occupy the space. Source: GSA Workplace
USF	Usable Square Feet The usable area is the amount of space that the agency uses, including total office, special, and storage spaces. Source: GSA Workplace

CPP Headquarters Team Roster

HHS Team

Name	Role	Title
Ned Holland	HHS Executive Sponsor	Assistant Secretary for Administration
Genevieve Hanson	HHS Executive Leader	Director of Real Estate Logistics (REL)
Elena Garrison	HHS Team Leader	Real Property Management Services, REL.
Alfred Cypress	HHS, Planning SME	Planning and Construction - REL
John Rombola	HHS, Planning SME	Real Property Asset Management- REL
Elizabeth Fahey	HHS, Planning SME	Real Property Inventory System - REL
Ted Kozak	HHS, Sustainability SME	Water Conservation Program - REL
Jonathan Herz	HHS, Sustainability SME	Chief Architect for Sustainability Program - REL

CDC Team

Name	Role	Title
Joe Henderson	CDC Executive Leader, CDC Outcomes Report	Director, Office of Safety, Security, and Asset Management
Jeff Williams	CDC Executive Leader, Reporting and Benchmarking	Director, Buildings and Facilities Office
George Chandler	CDC Executive Leader, CDC Stakeholder	Senior Advisor
Buddy Evans	Leasing SME	Director, Real Property Management Office
Chip Gibson	Energy & Sustainability Leader	Sustainability Program Manager
Angela Wagner	Energy & Sustainability SME	Sustainability Asset Manager

CPP Team Roster (continued)

FDA Team

Name	Role	Title
Deanna Murphy	FDA Executive Leader	Director, OFEMS
Donald Demers	Energy & Sustainability Leader	Director, Division of Planning, Engineering and Safety Management
Amy Iselin	Portfolio & Leasing Leader	Director, Planning and Space Management Branch
Saundria Jessup	FDA Team Leader, FDA POC	Team Lead, Lease Management
Jay Jeffries	Energy & Sustainability SME	Energy/Water Conservation
James Sawyer	Workspace SME	Team Lead, Space Management

IHS Team

Name	Role	Title
Gary Hartz	IHS Executive Leader	Director, Office of Environmental Health and Engineering
Kevin D'Amanda	IHS Director	Acting Director, Division of Facilities Operations
Felicia Snowden	IHS POC	Lead Realty Officer, OEHE
Gordon DelChamp	Energy & Sustainability SME	Energy/Water Conservation, OEHE
Ann Roberts	Leasing SME	Engineering Services—Dallas
Glen Harlow	Leasing SME	Engineering Services—Seattle

CPP Team Roster (continued)

NIH Team

Name	Role	Title
Dan Wheeland	NIH Executive Leader	Director, Office of Research Facilities
Tony Clifford	NIH POC	Chief Engineer, Office of Research Facilities
Pat Rice	Leasing SME	Acting Director, Office of Acquisitions
Ricardo Herring	Planning SME	Director, Division of Facilities Planning
Kenny Floyd	Energy & Sustainability SME	Director, Division of environmental Protection
Susan Hinton	Energy & Sustainability SME	Sustainability Program Manager
Amy Blackburn	Energy & Sustainability SME	Sustainability Program Specialist
Victoria Davis	Budget and Finance SME	Budget Officer, ORF
David Wellman	Planning SME	Deputy Chief, Program & Space Planning Branch
Frank Piatkowski	Planning SME	Senior Architect
Lawrence Manfredi	Asset Management SME	Chief, Real Property Management Office
Christopher Shirley	Meeting Coordination	Staff Assistant, Office of Research Facilities
Glen Stonebraker	Project SME	Deputy Director for ARRA Oversight, ORF

CPP Team Roster (continued)

GSA Team

Name	Role	Title
Victoria Hartke	PBS Executive Sponsor	Director of Leasing, GSA NCR
Valerie King	CPP Team Leader	CPP Strategic Planning Manager
Jennifer Kendall	CPP Senior Advisor	PBS National Accounts Director
Loaela Hammons	CPP Program Manager	CPP Program Manager
Carolyn Adelsten	CPP Program Analyst	CPP Program Analyst
Ken Schelbert	Central Office, Leasing	Supervisory Program Manager
Robert Moran	Central Office, Facilities	Building Management Specialist
Steve Varnum	Central Office, Budget Analyst	Director, Revenue Operations Division
Richard Sedwick	CPP Portfolio POC	Lead Specialist, Real Property Asset Management
Gretchen Fisher	CPP Consultant	CBRE Consultant, Client Strategy Consulting
Malcolm Squire	CPP Consultant	CBRE Analyst, Client Strategy Consulting

CPP Team Roster (continued)

GSA Team – Opportunity Leads

Name	Role	Title
Anita Banks	NCR, Regional Account Manager, Opp Lead	Regional Account Manager
Jonathan McIntyre	Central Office, Workplace, Opp Lead	Program Analyst
Glenn Harvey	NCR, Realty Specialist, Opp Lead	Realty Specialist
Ed Holton	Region 8, HHS Regional Account Manager, Opp Lead	Regional Account Manager
Danny Sawyer	Region 4, HHS Regional Account Manager, Opp Lead	Regional Account Manager
Mark Tyler	NCR, Realty Specialist, Opp Lead	Realty Specialist
Pedro Viera	Region 3, HHS Regional Account Manager, Opp Lead	Regional Account Manager
Eric Albrecht	NCR, Project Manager, Opp Lead	Project Executive
James Lew	Region 9, HHS Regional Account Manager, Opp Lead	Regional Account Manager
Melissa Hager	Region 10, HHS Regional Account Manager, Opp Lead	Regional Account Manager

GSA Region 4 Project Team

Name	Role	Title
Michelle Adams	Asset Management Specialist	Asset Manager
Scott Ayers	Lead Workplace Specialist	Lead Workplace Specialist
Kenneth Day	Space Management Specialist	Supervisory Realty Specialist
Dave Hofstetter	Regional CPP POC	Director, Client Solutions
Scott Mowry	Leasing Division POC	Branch Chief, Leasing Division

CPP Team Roster (continued)

GSA NCR Project Team

Name	Role	Title
John McDaniel	NCR CPP Regional POC	Asset Manager
Susan Anderson	Asset Manager	Asset Manager
Eric Berger	Assignments Division	Space Management Specialist
Gonzalo Cespedes	Property Development (White Oak)	Project Manager
Seyi Gbadegesin	Leasing Execution Division	Realty Specialist
Thomas Malone	Assignments Division	Space Management Specialist
Rich Miller	Realty Specialist	Realty Specialist
Michelle Parrish	NCR, Customer Services Manager Leases	Customer Services Manager
Jim Phelan	NCR, Lease Contracting Officer	Realty Specialist
Wendy Conty	Office of Planning & Design Quality (OPDQ)	Interior Designer
Isoken Ihama	Project Manager, OCIO Consolidation	WPS

GSA Region 3 Project Team

Name	Role	Title
Cindy Huang	Asset Manager	Asset Manager
Louis Digeambeardino	Project Management POC	Service Center Project Manager
Charlie Hearn	Project Management	Project Manager
Jessica Herring	Leasing Division POC	Realty Specialist
Gina Lambros	Property Manager	Property Manager
Gregory Wright	Supervisory Property Manager	Supervisory Property Manager
Pat Zucca	Regional CPP POC	Supervisory Account Manager

CPP Team Roster (continued)

GSA Region 9 Project Team

Name	Role	Title
Jason Reising	Project Manager	Realty Specialist
Connie Zimmerman	Regional CPP POC	Regional Account Manager
Kathleen Cruise	Portfolio	Asset Manager
Nadine Fillipucci-Oliver	Space Management	Space Management Specialist

GSA Region 10 Project Team

Name	Role	Title
Paul Oresik	Realty	Project Leader
Melissa Hager	Regional CPP POC	Regional Account Manager
Rick Thomas	Project Management	Project Manager
James Coffelt	Lease Acquisition	Lease Acquisition
Peter Gray	Regional CPP POC	Director, Client Solutions
Bill George	Regional CPP POC	Branch Chief, Portfolio Management
Laura Smith	Portfolio	Asset Manager
Jim Truhan	Work Place Solutions	Space Management Specialist

Contact Information



All inquiries regarding the program or the content of this portfolio plan should be directed first to the CPP Program Manager

CPP Program

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Supporting Resources and References

Document Name	Document Source	Date	Applied Use
HHS Operating Division Descriptions	www.hhs.gov	Ongoing	Mission Summaries and Portfolio Analysis
GSA Master Data Template	GSA RPAM	01/01/2014	Portfolio Analysis
Switzer Tenancy Plan	HHS/PSC	9/5/2013	Portfolio Analysis
Signed GSA CPP Outcomes Report	GSA/HHS	06/26/2013	Outcomes Report
Workplace+ Calculating Space Utilization	GSA Workplace+ PMO Bulletin 01-13	06/2013	All Opportunities
HHS Q2 FY14 FRPP Data	HHS	05/15/2013	Portfolio Analysis
HHS Real Estate Control Sheet	HHS	8/14/2012	Portfolio Analysis
HHS Strategic Sustainability Plan	HHS	9/1/2011	Portfolio Analysis
Guidance for Calculating Scope 3 Emissions	World Business Council for Sustainable Development and World Resources Institute	August 2011	All Opportunities

Business Case Definitions

SELECTED GLOBAL fields

Opportunity Analysis Component	Definition and limiting conditions	Reference / Source
Baseline	<ul style="list-style-type: none"> The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: <ul style="list-style-type: none"> Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison 	<ul style="list-style-type: none"> GSA Master Data Template / GSA Portfolio Agency analyses and data / Individual Agency contacts and FRPP Business Case Model rel. 1 / Client Portfolio Planning & CBRE Business Case Principles Presentations / GSA Portfolio Jan – June 2013 (see extract on next page)
Target	<ul style="list-style-type: none"> The resultant End State of the portfolio after all Tactics have been implemented <ul style="list-style-type: none"> RSF, Rent, USF, HC (Headcount) are standard properties and not defined here Implementation Start / End Date: the earliest / latest date that is associated with any Tactic 	<ul style="list-style-type: none"> Business Case Model Regional analyses Consolidation Fund model
Tactics	<ul style="list-style-type: none"> When all tactics are combined, these comprise the Strategic Plan for the Portfolio that is being analyzed and optimized Each individual Tactic is a time bounded action which impacts the performance metrics of the Portfolio Minimum data required include: <ul style="list-style-type: none"> Tactic date and building impacted by the proposed change Area subject to construction (see Build Out definitions) Change in area to be occupied and subject to recurring rent and operating costs Changes in headcount assigned to each individual location Construction scope and unit costs 	<ul style="list-style-type: none"> Opportunity Card / Opportunity Description by CPP teams Unit Costs from WIFM v1i / GSA Workplace
Net Improvement	<ul style="list-style-type: none"> Changes in key metrics of RSF, USF, Rent, USF/HC, and Greenhouse gases 	N/A

* Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions

SUMMARY HIGHLIGHTS

Item	Definition
Opportunity Description	Describe the scope of the opportunity. Explain movement between buildings, expiration dates, etc. This section gives the reader an understanding of what implementing the opportunity entails.
Potential Benefits: RSF Reduction	The amount of RSF change between the Baseline and Target plans, including the percentage of change in parentheses
Annual Rent Savings (w/o TI)	Difference between Baseline Annual Rent versus forecasted Target Annual Rent without costs of Build Out amortization included in the Target Annual Rent.
Total Investment Costs	Sum of all GSA and Agency Costs. Also shown as TIC amount in the OPPORTUNITY INVESTMENT DATA table.
Total Agency Upfront costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)
Total GSA Upfront costs	Sum of Build Out (TI) and Build Out (Core/Shell) from OPPORTUNITY INVSTMENT DATA table.
Agency Break even	Calculated number of years for the Agency to recoup the Agency Upfront Costs. Also shown in the OPPORTUNITY INVESTMENT DATA table.
Agency Priority	How this Opportunity is expected to be prioritized by the Agency. Rank by number (X) out of (XX). XX is the number of opportunities in the PR3.
Ability to Fund (FYXX)	FYXX identifies timing that funds would first be needed. Also include a subjective estimation of GSA's and the Agency's ability to fund – either High, Medium, or Low
Recommended Next Steps	Short list of time-bounded & assigned accountabilities for priority / major next steps or milestones to achieve the Opportunity benefits. Can change over time and will reflect contemporary situation.
Opportunity Review Status	Statement of key Stakeholder support of the Opportunity. Valid values: <ul style="list-style-type: none"> - Approved - In Process - Initiated - Rejected

* Note: GSA's Business Case Analysis Model and specialized Regional worksheets are typically used to develop these data. Business Case Appendix materials identify Sources.

Opportunity Card Definitions

OPPORTUNITY ANALYSIS table

Item	Definition
Baseline	<ul style="list-style-type: none"> The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: <ul style="list-style-type: none"> Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date or Owned) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison
Target	Forecasted future conditions (“End State”) scenario and associated measures. See Baseline definition.
Action	<p>Strategy to be used to implement changes between Baseline and Target scenarios. Possible selections include:</p> <ul style="list-style-type: none"> - Consolidation - Relocation - Right Size in Place - Cost Avoidance - Capital Deployment - Market Driven - Process / Service Improvement - Sustainability
Start (End) Date	Expected Quarter & Fiscal year timings associated with the Business Case Action. Stated in in the format of “ 0Q FY00 ”
Annual Rent (w/TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises. Specifically excludes repayment of capital investments made by other entities. Values are consistent for Business Case purposes. Not for Budgets.
Annual Rent (w/o TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises PLUS repayment of capital investments made by other non-Agency entities. Values are consistent for Business Case purposes. Not for Budgets.

* Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an “Other” unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions

OPPORTUNITY ANALYSIS table – ACTION types

Item	Definition
Consolidation	A Consolidation Opportunity will create change at two or more properties that the Agency presently occupies. One (or more) of the existing buildings will be exited and one (or more) of the existing buildings will continue to be occupied upon achieving the Target end state.
Relocation	A Relocation Opportunity will create change at two or more properties. One (or more) of the buildings is not presently occupied by the Agency. One (or more) of the existing buildings will be exited and one (or more) of the remaining buildings will continue to be occupied at the Target end state.
Right Size	A Right-size Opportunity will create change within one or more properties that the Agency presently occupies. One (or more) of the existing buildings will have a Target end-state area that is less than the area presently occupied.
Cost Avoidance	A Cost Avoidance Opportunity illustrates change between an end-state that “may” have been required if all conditions within the property that the Agency presently occupies were replicated to accommodate growth versus the Target end-state. The Baseline condition is modified to forecast what “would” be needed (“Avoided Future State”) and then compared to the Target end-state. These Opportunities are typically associated with, but not limited to, accommodating growth within an existing footprint instead of establishing larger or other premises.
Capital Deployment	A Capital Deployment Opportunity will create change within one or more properties that the Agency presently occupies by means of disposition or some special type of financing (e.g., sale, sale-leaseback, special financing).
Market Driven	A Market Driven Opportunity will create change within one or more properties that the Agency presently occupies by conducting negotiations to improve the economics of the occupancy. Examples include lowering rents to match market conditions and lowering rents by extending the term of the occupancy.
Process / Service Improvement	A Process / Service Improvement Opportunity will create change within one or more properties that the Agency presently occupies through adoption of improved processes or acquisition services such as Digital Print management, bulk purchasing contracts, etc.
Sustainability	A Sustainability Opportunity will create change within one or more properties that the Agency presently occupies by improving the operating costs of the occupancy through implementation of projects that are focused on Greenhouse gases, commutation, LEED certifications, recycled materials, etc.

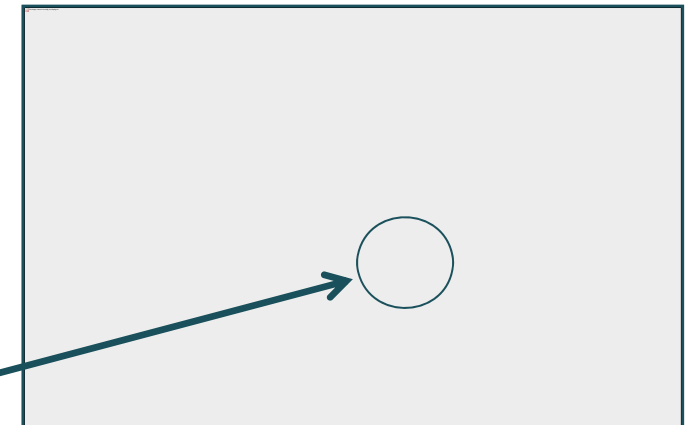
Opportunity Card Definitions

OPPORTUNITY ANALYSIS table

Item	Definition
RSF	Rentable Square Feet that are analyzed in Baseline and Target scenarios.
USF	Useable Square Feet that are analyzed in Baseline and Target scenarios.
HC	HEADCOUNT ("HC") assumed to be housed in Baseline and Target scenarios
All-in UR	Utilization rate for Baseline and Target scenarios. Calculated by dividing Baseline- or Target-USF by the appropriate HC.
GHG Emissions (Tons)	Assessment of Green House Gas emissions for each scenario. Default calculation = $(RSF \times 22 \text{ lbs./RSF}) \div 2,000 \text{ lbs./ton}$
Annual TI Payment in Rent	Annual rent paid by Agency to repay GSA for Build Out investments associated with the Opportunity. Appropriate cost of funds and monthly amortization schedule converted to annual amount.
Cost / (Benefit) and %Improvement	Quantification of change between Baseline and Target scenarios. Cost / (Benefit) in numerical form. %Improvement as a percent and calculated by dividing Cost / (Benefit) by corresponding Baseline value.
# of years TI is being amortized	Number of years an Agency would repay Build Out as additional Rent. DEFAULT = 5 years.
Savings Achieved to Date	Periodic tabulation of ACTUAL results across all metrics. See Project Card descriptions.

AGENCY BREAK EVEN graph

Segment	Definition
Cumulative Savings	Total of Annual Rent savings accumulated over time. Annual Rents include adjustments for TI Amortization.
Agency Investment	Running sum of <i>Total Agency Upfront costs</i> displayed on an annual basis.
Break Even	Point where Cumulative Savings cross the Agency Investment line; representative of the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs



Opportunity Card Definitions

OPPORTUNITY INVESTMENT DATA table

Investment Data Category	Definition and limiting conditions	Reference / Source
Build Out (TI)	<ul style="list-style-type: none"> There are 3 potential scopes of work that are eventually intended to be included in this category and are derived from GSA Workplace WIFM tool definitions for consistency: <ul style="list-style-type: none"> Minimal Refresh Renovate New Build Out <p>In the majority of the CPP business cases, NEW BUILD OUT scope is assumed when projects are in the early stage of development and generally aligns with:</p> <ul style="list-style-type: none"> Investments required to improve space from a “warm, lit shell” condition and ready the premises for the installation of furnishings and other personal property Investments for ALL construction costs whether paid by the Agency or GSA without reduction for any available Tenant Improvement Allowance provided either by a 3rd party Landlord or a GSA Tier allowance Adjustments for location and escalation over time included DEFAULT Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise; 10% special space included and assumed at Support Space unit costs DEFAULT Unit costs based on a “Typical” project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool <p>In many business cases, project estimates for Build Out costs have been prepared by Regional / Agency teams; these are considered to be more accurate and are included whenever possible. Comments in the business case analysis tools will identify when these assumptions have been used and summaries will be included in the PR3.</p>	<ul style="list-style-type: none"> WIFM / GSA Workplace GSA Project Cost Planning Guide; Dec 2013 as incorporated into WIFM assumptions and planning forecasts and updated for Repair and Alteration scopes in Dec 2013 / GSA Design and Construction and GSA Workplace
Build Out (Core / Shell)	<ul style="list-style-type: none"> NOT TYPICAL: For Client Portfolio Planning business cases, it is unlikely that these costs will be attributed to a Client Agency business case and are typically assumed to be out-of-scope for CPP business case purposes (Note: these costs are typically captured in the GSA “Lease vs. Own” analysis processes) Core / Shell costs If included: Investments required to create or otherwise modify building systems or components and establish a “warm, lit shell” condition which is ready for Build Out investments; justification for inclusion in Agency Business Case provided 	<ul style="list-style-type: none"> GSA Asset and Portfolio teams The Automated Prospectus System (TAPS) tool Prospectus approval documents / varies

Opportunity Card Definitions

OPPORTUNITY INVESTMENT DATA table

Investment Data Category	Definition and limiting conditions	Reference / Source
Furniture	<ul style="list-style-type: none"> Costs for NEW furnishings and other personal property installed in space that has been improved in accordance with the Build Out conditions above (Note: variances to NEW standard assumption will identify appropriate scope, assumptions, and estimate source) Furniture and equipment for standard Offices, Workstations, Conference rooms, filing, and standard support areas; other areas as needed and identified Does not include personal property such as, but not limited to, printers, computers, phone switches or other specialized equipment Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise NO COSTS included for 10% special space in addition to Workplace area assumed unless stated otherwise DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool 	<ul style="list-style-type: none"> WIFM v1i / GSA Portfolio and Workplace teams GSA national furniture purchasing schedule / GSA FAS Standard Office furniture components analysis / GSA Portfolio; December 2013 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
IT	If available and applicable, costs identified for IT that are not included in any other category such as, but not limited to, printers, computers, cell phones, phone switches, data rooms, etc.	<ul style="list-style-type: none"> Agency GSA Others
Move	<ul style="list-style-type: none"> Investments for relocating personnel within the local market (limit approx. 15 miles) DEFAULT \$3/USF for each property being exited (unless other assumption identified) Adjustments for location and escalation NOT included or available 	<ul style="list-style-type: none"> GSA pricing schedules and Rough order of magnitude best practices / GSA Portfolio and Region interviews
Other	Catch all category for all other investments including but not limited to Change management program costs, termination penalties, fees, specialized equipment, etc.	<ul style="list-style-type: none"> Varies

Opportunity Card Definitions

OPPORTUNITY INVESTMENT DATA table

Investment Data Category	Definition and limiting conditions	Reference / Source
Total Investment Costs (TIC)	<ul style="list-style-type: none"> Forecasted investment requirements to implement Target Sum of Build Out, Furniture, IT, Move and Other costs 	<ul style="list-style-type: none"> Business Case Model Consolidation Fund worksheet Specialized Regional analyses
Agency Upfront Costs	<ul style="list-style-type: none"> Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.) 	<ul style="list-style-type: none"> GSA Project teams
Agency Break Even	<ul style="list-style-type: none"> Number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs Calculation is dependent on length of time and rent reduction forecast; see special instructions in Appendix 	<ul style="list-style-type: none"> GSA Pricing guidance and calculation methods; June 2014
Funding Sources	<ul style="list-style-type: none"> Identification of expected Budget source for required investments Agency-related Sources are summed in the Agency Upfront Costs field 	<ul style="list-style-type: none"> GSA project teams GSA and Agency finance staff

Additional notes:

1. The investment values displayed in the OPPORTUNITY INVESTMENT DATA table typically represent a Planning / Business Case level of detail and **are not cost estimates**; accordingly, these investment values are not recommended for use in Budgeting or Project commitments without review of scopes and applicability of cost factors.
2. As noted above, other significant investments may be required to create the “warm, lit shell” conditions and are excluded from all Tenant Agency perspectives and forecasts.

Opportunity and Project Card Definitions

Agency Break Even calculations

Selecting appropriate method for Break Even Year Calculation:

Use **Formula 1** if:

Target Annual Rent w/TI IS LESS THAN The Baseline Annual Rent w/TI (it is possible to break even during the amortization period)

If y ends up being > the # of years amortized, use **Formula #2** to determine the Break Even Year.

Use **Formula 2** if:

Target Annual Rent w/TI IS GREATER THAN The Baseline Annual Rent w/Tis (break even will exceed the TI amortization period)

Formula 1 (capturing costs during the years with TI):

Break Even Year = $\frac{\text{Agency Upfront Costs}}{(\text{Baseline Annual Rent w/TI} - \text{Target Annual Rent w/ TI})}$

Formula 2 (capturing costs after TI drops off):

Break Even Year = $\frac{\text{Annual TI Payment in Rent} * \text{\# of years TI is amortized} + \text{Agency Upfront Costs}}{(\text{Baseline Rent w/o TI} - \text{Target Rent w/o TI})}$

Opportunity and Project Card Definitions

Agency Break Even calculations

Calculate ANNUAL RENT (w/TI)

Step 1: Establish the Opportunity's total Annual Rent w/o TI

For projects in owned space, there is no PBS fee.

For projects in leased space, assume a PBS fee of 7% that is applied to the entire rent.

In some leases, the space may have a non-cancelable OA (not as common). If those instances are known, the PBS fee is 5%.

Step 2: Calculate the Additional Rent (Annual TI amortization) and add it to the Annual Rent w/o TI

Annual TI Payment in Rent calculation in Excel:

$=PMT(TI \text{ Amortization Rate}, \text{Amortization Term in Months}, \text{Build Out (TI)}) * 12$

Example: Convert \$16,502,881 in TI to additional Annual Rent

Formula: **$=PMT(0.02835/12, 60, 16502881) * 12$**

VARIABLES:

TI Amortization Rate - for any project in federal space or funded by the Consolidation Fund (owned or leased), assume an amortization rate of 2.835%. For any other leased project (i.e. TI funded by the lessor), assume an amortization rate of 5.835%.

Amortization Term in Months – Default repayment term is 5 years or 60 months (unless otherwise specified)

Build Out (TI) - The total TI cost to be amortized (unless otherwise specified)

Notes:

- The Annual TI Payment in Rent will come out of the calculation as a negative number. Make it a positive number and round to the nearest whole dollar.
- Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to show these costs in Build Out (TI) section.

Opportunity and Project Card Definitions

Agency Break Even calculation derivations

EXAMPLE calculations derivations

Formula 1 (capturing costs during the years with TI):

$$\text{Break Even Year} = \frac{\text{Agency Upfront Costs}}{(\text{Baseline Annual Rent w/TI} - \text{Target Annual Rent w/ TI})}$$

y = Break Even Year

Old Cost = Baseline Annual Rent w/TI * y

New Cost = Target Annual Rent w/TI * y + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

$$\text{Baseline Annual Rent w/ TI} * y = \text{Target Annual Rent w/ TI} * y + \text{Upfront Tenant Costs}$$

Rearranging:

$$\text{Baseline Annual Rent w/ TI} * y - \text{Target Annual Rent w/ TI} * y = \text{Upfront Tenant Costs}$$

Solving for y:

$$y = \frac{\text{Upfront Tenant Costs}}{(\text{Baseline Annual Rent w/TI} - \text{Target Annual Rent w/TI})}$$

Formula 2 (capturing costs after TI drops off):

$$\text{Break Even Year} = \frac{\text{Annual TI Payment in Rent} * \# \text{ of years TI is amortized} + \text{Agency Upfront Costs}}{(\text{Baseline Rent w/o TI} - \text{Target Rent w/o TI})}$$

y = Break Even Year

Old Cost = Baseline Rent w/o TI * y

New Cost = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

$$\text{Baseline Rent w/o TI} * y = \text{Target Rent w/o TI} * y + \text{Annual TI amount} * \# \text{ of years amortized} + \text{Upfront Tenant Costs}$$

Rearranging:

$$\text{Baseline Rent w/o TI} * y - \text{Target Rent w/o TI} * y = \text{Annual TI amount} * \# \text{ of years amortized} + \text{Upfront Tenant Costs}$$

Solving for y:

$$y = \frac{\text{Annual TI amount} * \# \text{ of years amortized} + \text{Upfront Tenant Costs}}{(\text{Baseline Rent w/o TI} - \text{Target Rent w/o TI})}$$

Opportunity and Project Card Definitions

Agency Break Even misc.

Other Definitions and Limiting Conditions

Savings Achieved to Date

This is the sum of the Outcome Report Savings from any projects that have completed Outcome Reports.

Build Out (TI)

Enter the Total TI for the Opportunity

Build Out (Core and Shell) WILL NOT be included in the **Annual Rent w/TI** field

Build Out (Shell)

Enter the shell costs for the Opportunity

Assume GSA will be paying the upfront costs for any project in federal space or funded by the Consolidation Fund

Note: Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to include and display these costs in Build Out (TI) fields.

Furniture and IT

Do NOT include amortization of these investments as additional Annual Rent

Assume no fees or interest rates unless otherwise specified. Consult with the Program Team re: any current fees if TW/FIT is being used.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Real Estate Portfolio Overview

Data as of 2Q FY15

Total RSF	25,464,329
Owned RSF	9,609,039
Leased RSF	15,855,291

Total Annual Rent	\$ 576,093,896
Owned Rent	\$ 191,763,544
Leased Rent	\$ 384,330,352

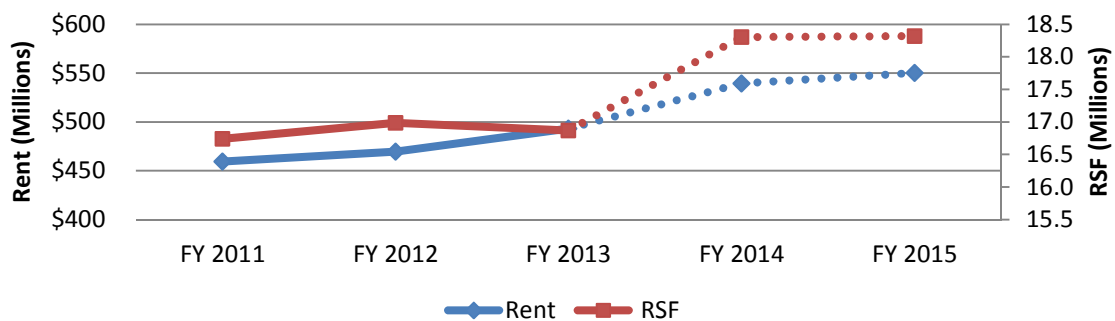
Top 5 Markets

Washington-Arlington-Alexandria, DC-VA-MD-WV
 Atlanta-Sandy Springs-Roswell, GA
 Baltimore-Columbia-Towson, MD
 New York-Newark-Jersey City, NY-NJ-PA
 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

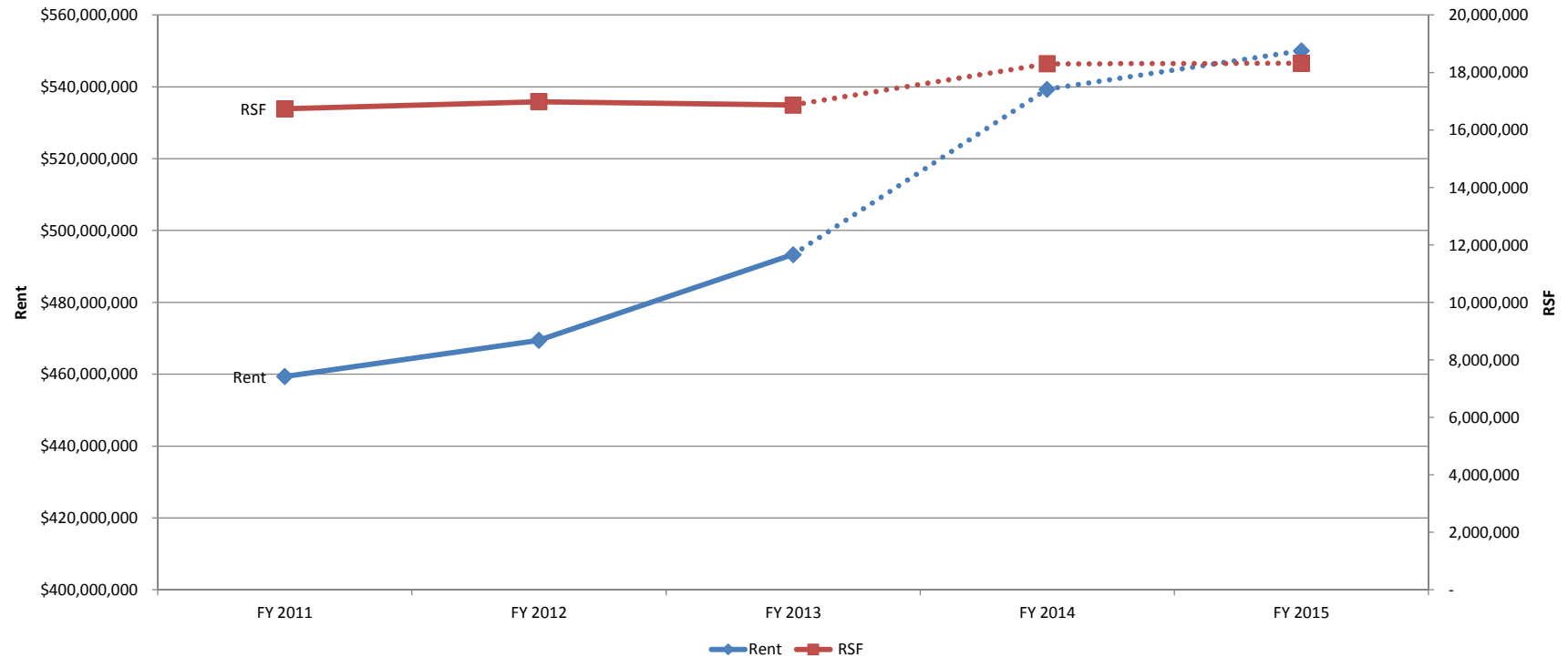
Number of Occupancy Agreements

755

Agency Rent & RSF Trends (FY11-FY15)



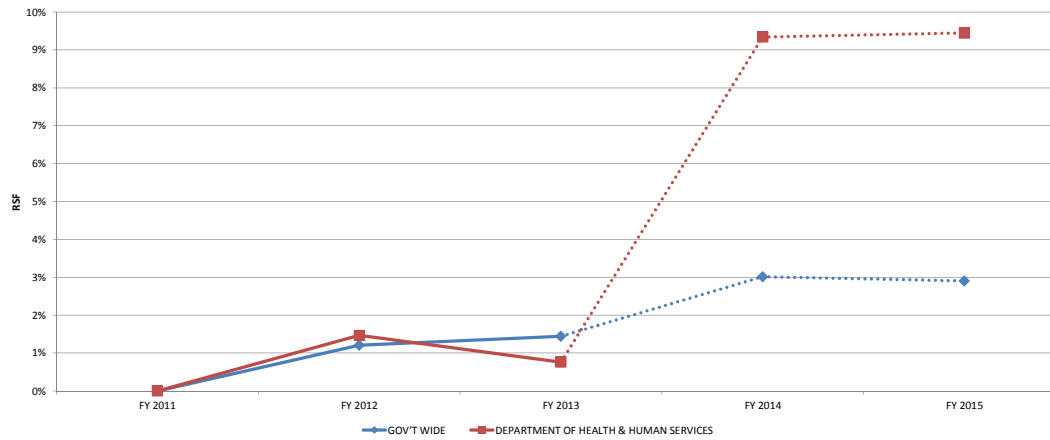
Agency Rent & RSF Trends (FY11-FY15)



	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
Rent	\$	459,373,310	\$	469,429,853	\$	493,283,843	\$	539,334,609	\$	550,053,134
Leased	\$	311,395,021	\$	322,890,245	\$	341,001,521	\$	339,890,933	\$	336,335,794
Owned	\$	147,978,290	\$	146,539,608	\$	152,282,322	\$	199,443,677	\$	213,717,339
RSF		16,738,161		16,983,738		16,865,444		18,301,700		18,319,369
Leased		10,914,527		11,141,154		10,841,261		10,841,261		10,857,367
Owned		5,823,634		5,842,584		6,024,183		7,460,439		7,462,002

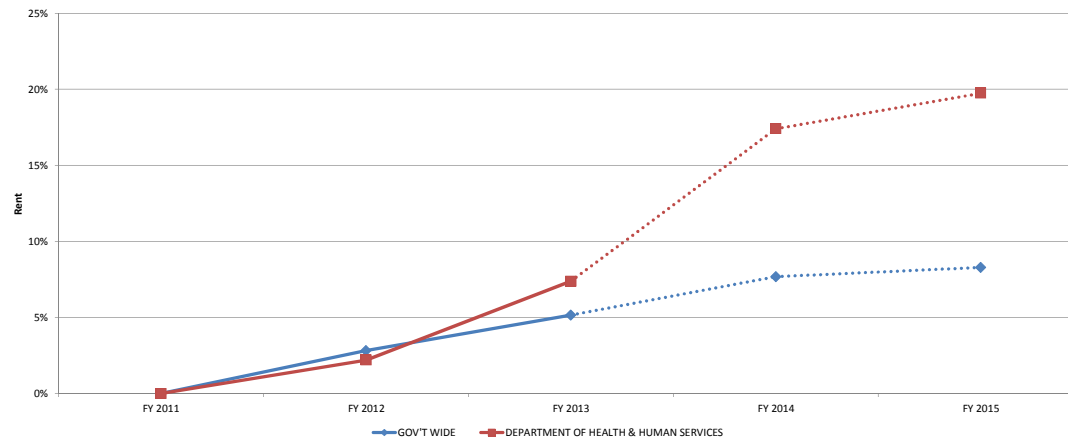
Source: FY15 Rent Estimate

RSF Changes Over FY 2011 Baseline



RSF	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Government-Wide RSF Increase Over FY11 Baseline					
Leased	0%	2%	2%	3%	3%
Owned	0%	0%	1%	3%	3%
GOV'T WIDE	0%	1%	1%	3%	3%
Agency RSF Increase/Decrease Over FY11 Baseline					
Leased	0%	2%	-1%	-1%	-1%
Owned	0%	0%	3%	28%	28%
DEPARTMENT OF	0%	1%	1%	9%	9%

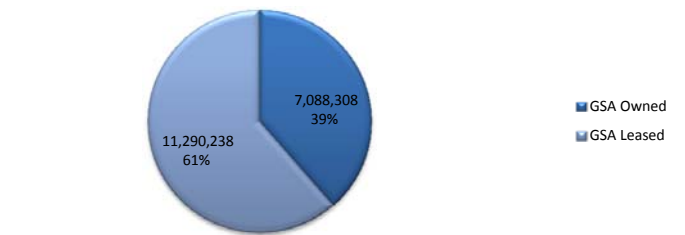
Rent Changes Over FY 2011 Baseline



Rent	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Government-Wide RSF Increase Over FY11 Baseline					
Leased	0%	3%	5%	6%	7%
Owned	0%	2%	5%	10%	10%
GOV'T WIDE	0%	3%	5%	8%	8%
Agency RSF Increase/Decrease Over FY11 Baseline					
Leased	0%	4%	10%	9%	8%
Owned	0%	-1%	3%	35%	44%
DEPARTMENT OF	0%	2%	7%	17%	20%

Source: FY14 Rent Estimate

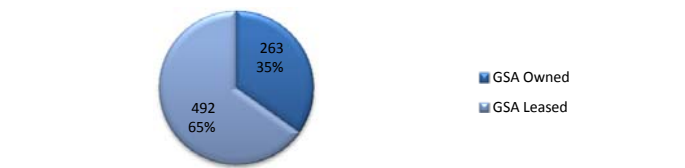
Rentable Square Feet



Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)

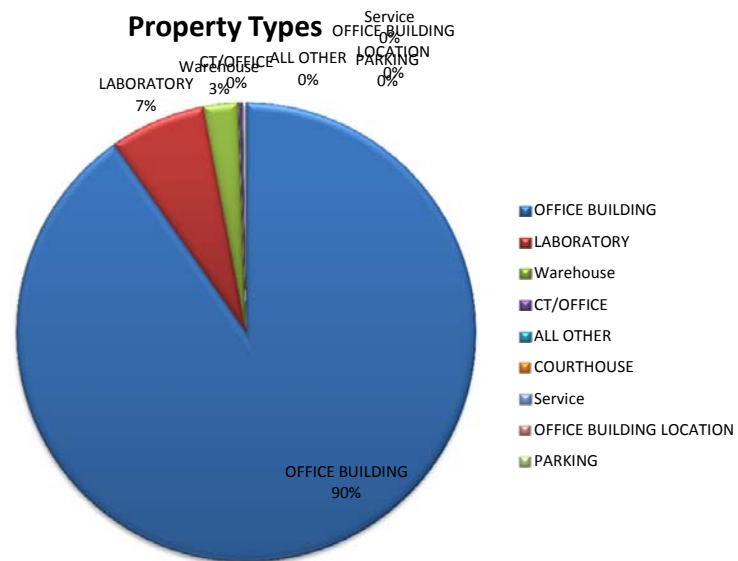
	Assigned RSF	Sum of Annual R
GSA Owned	7,088,308	173,056,216
GSA Leased	11,290,238	305,194,557
Grand Total	18,378,545	478,250,773

Count of Occupancy Agreements



Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)

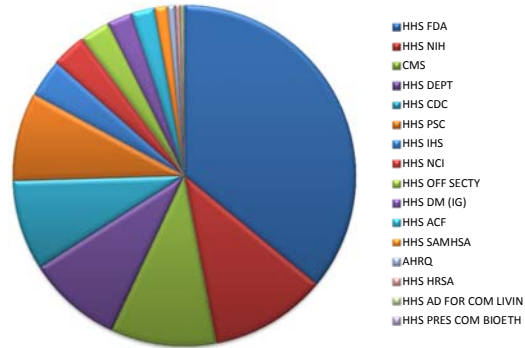
	Count of OA's	Annual Rent
GSA Owned	263	173,056,216
GSA Leased	492	305,194,557
Grand Total	755	478,250,773



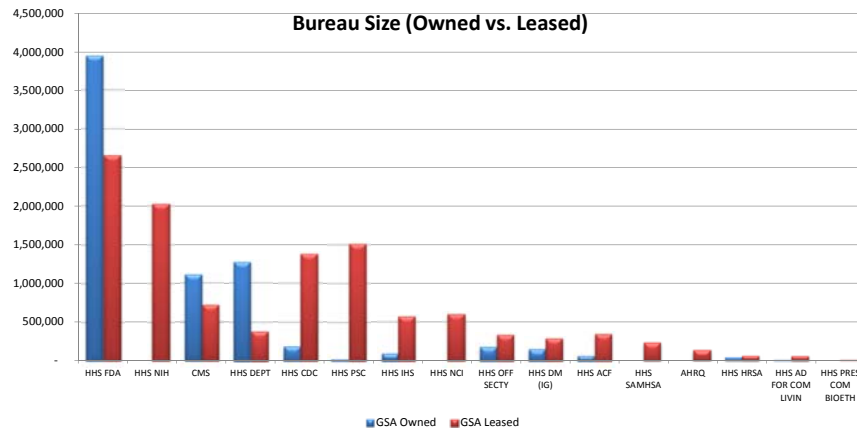
Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)

Space Type	Sum of Assigned RSF	Count of OA's
OFFICE BUILDING	16,586,858	624
LABORATORY	1,247,119	28
Warehouse	447,473	18
CT/OFFICE	51,439	25
ALL OTHER	26,833	21
COURTHOUSE	16,088	8
Service	2,457	3
OFFICE BUILDING LOCATION	277	1
PARKING	-	27
Grand Total	18,378,545	755

Bureau Size (RSF)



Bureau Size (Owned vs. Leased)

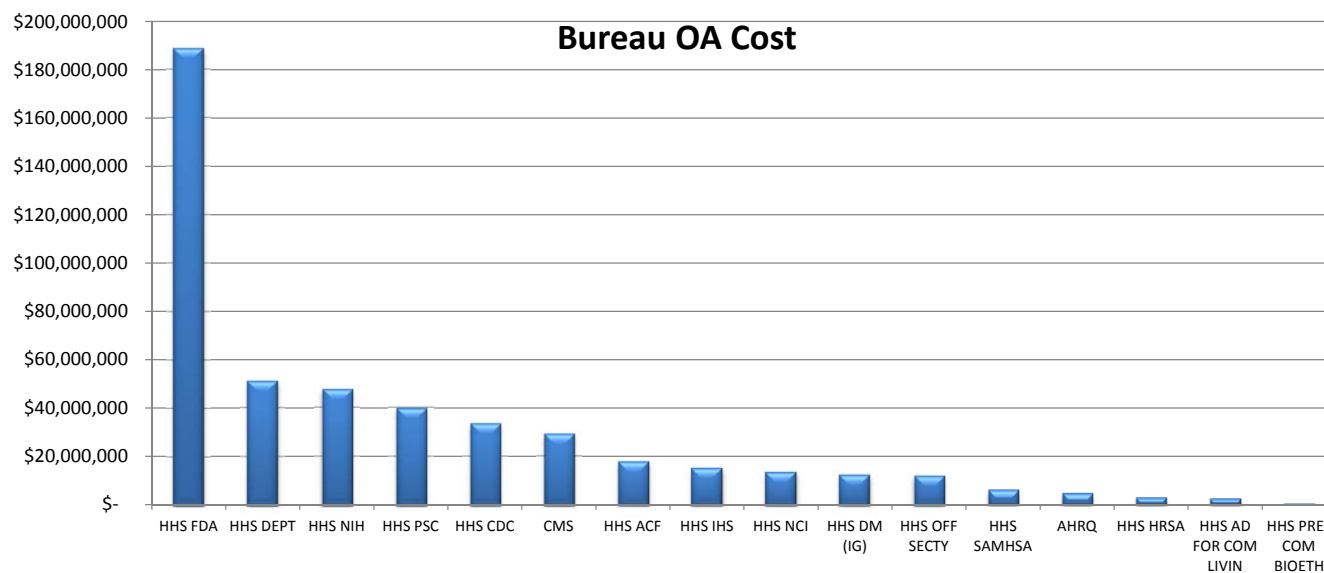


Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES

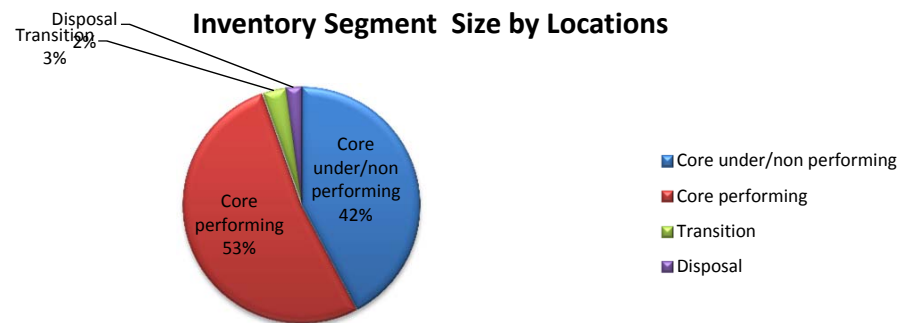
Bureau	GSA Owned	GSA Leased	Grand Total
HHS FDA	3,947,152	2,660,440	6,607,592
HHS NIH		2,031,377	2,031,377
CMS	1,109,884	721,467	1,831,350
HHS DEPT	1,266,723	383,471	1,650,194
HHS CDC	193,892	1,380,488	1,574,381
HHS PSC	28,296	1,513,912	1,542,208
HHS IHS	101,250	569,197	670,447
HHS NCI		601,639	601,639
HHS OFF SECTY	178,429	329,159	507,588
HHS DM (IG)	152,105	286,325	438,429
HHS ACF	68,664	333,845	402,509
HHS SAMHSA		228,020	228,020
AHRQ		133,895	133,895
HHS HRSA	37,274	56,208	93,482
HHS AD FOR COM LIVIN	4,638	52,442	57,081
HHS PRES COM BIOETH		8,352	8,352
Grand Total	7,088,308	11,290,238	18,378,545

Department of Health and Human Services

Bureau OA Cost Breakdown

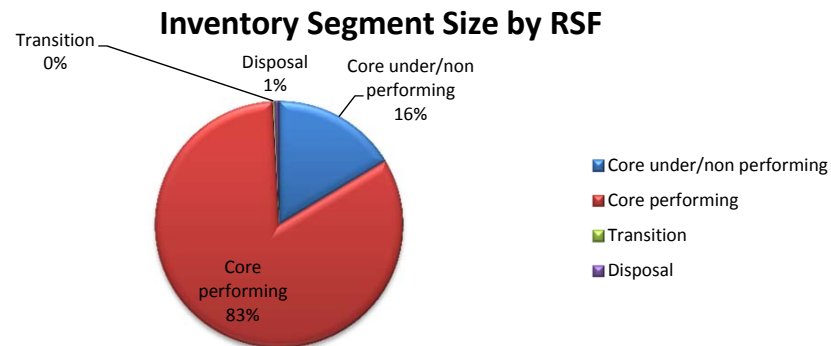


Agency Name			DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau		Annual Rent	
HHS FDA	\$	188,951,745	
HHS DEPT	\$	51,182,979	
HHS NIH	\$	47,638,699	
HHS PSC	\$	40,009,109	
HHS CDC	\$	33,525,344	
CMS	\$	29,173,321	
HHS ACF	\$	17,672,317	
HHS IHS	\$	15,139,589	
HHS NCI	\$	13,599,947	
HHS DM (IG)	\$	12,560,440	
HHS OFF SECTY	\$	12,122,404	
HHS SAMHSA	\$	5,988,448	
AHRQ	\$	4,650,047	
HHS HRSA	\$	3,030,929	
HHS AD FOR COM LIVIN	\$	2,622,227	
HHS PRES COM BIOETH	\$	383,228	
Grand Total	\$	478,250,773	



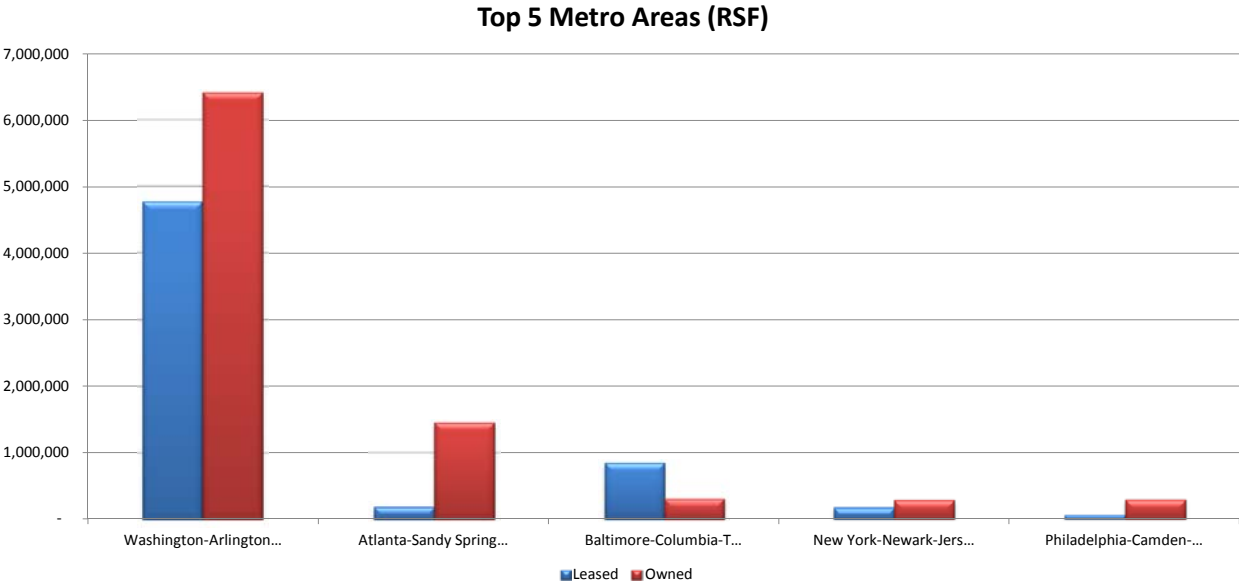
Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)

	Number of OA's
Core under/non performing	117
Core performing	145
Transition	9
Disposal	6
Grand Total	277



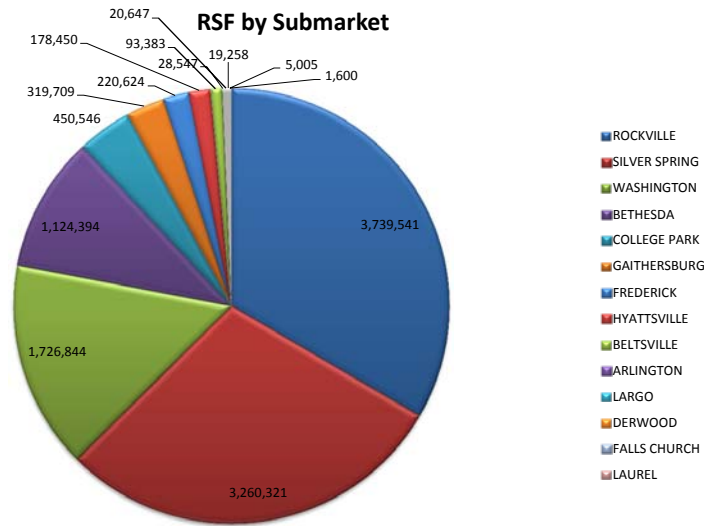
Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)

	Assigned RSF
Core under/non performing	1,023,602
Core performing	5,176,975
Transition	17,386
Disposal	33,343
Grand Total	6,251,307



Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)

Sum of Assigned RSF			
Metropolitan Area	GSA Owned	GSA Leased	Grand Total
#1 Washington-Arlington-Alexandria, DC-VA-MD-WV	4,776,322	6,412,547	11,188,869
#2 Atlanta-Sandy Springs-Roswell, GA	191,397	1,457,152	1,648,549
#3 Baltimore-Columbia-Towson, MD	836,194	306,321	1,142,515
#4 New York-Newark-Jersey City, NY-NJ-PA	170,852	277,534	448,386
#5 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	60,684	285,201	345,885

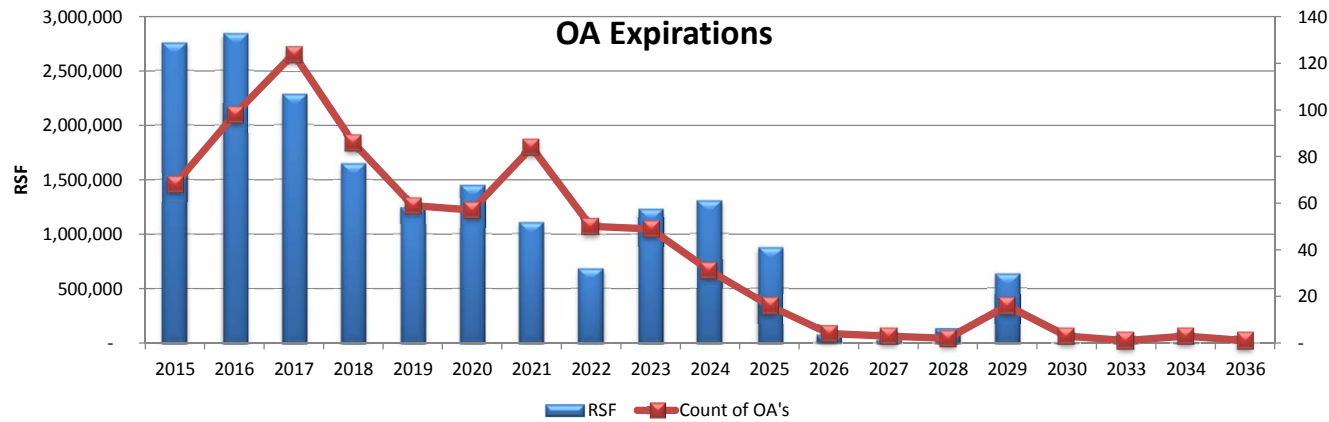


Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)
Owned/Leased (All)
Market Washington-Arlington-Alexandria, DC-VA-MD-WV <--Select Metro Area Here

Submarket	RSF	Count of OA's	Annual Rent
ROCKVILLE	3,739,541	34	91,681,508
SILVER SPRING	3,260,321	23	92,489,441
WASHINGTON	1,726,844	18	59,158,822
BETHESDA	1,124,394	13	40,637,623
COLLEGE PARK	450,546	2	8,515,829
GAITHERSBURG	319,709	3	4,985,195
FREDERICK	220,624	2	3,460,565
HYATTSVILLE	178,450	1	6,239,755
BELTSVILLE	93,383	2	2,677,880
ARLINGTON	28,547	1	1,000,435
LARGO	20,647	1	436,677
DERWOOD	19,258	1	535,660
FALLS CHURCH	5,005	1	134,929
LAUREL	1,600	2	64
Grand Total	11,188,869	104	311,954,383

Department of Health and Human Services

OA Expirations by FY



Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)
Market	(All)
City	(All)
Owned/Leased	(All)

Fiscal Year of Expiration	RSF	Count of OA's
2015	2,758,269	68
2016	2,842,711	98
2017	2,285,681	124
2018	1,652,449	86
2019	1,252,248	59
2020	1,448,287	57
2021	1,106,402	84
2022	684,098	50
2023	1,233,524	49
2024	1,303,899	31
2025	875,037	16
2026	75,586	4
2027	30,046	3
2028	134,405	2
2029	633,628	16
2030	7,803	3
2033	42,808	1
2034	10,660	3
2036	1,006	1
Grand Total	18,378,545	755

Department of Health and Human Services
OA Expirations List

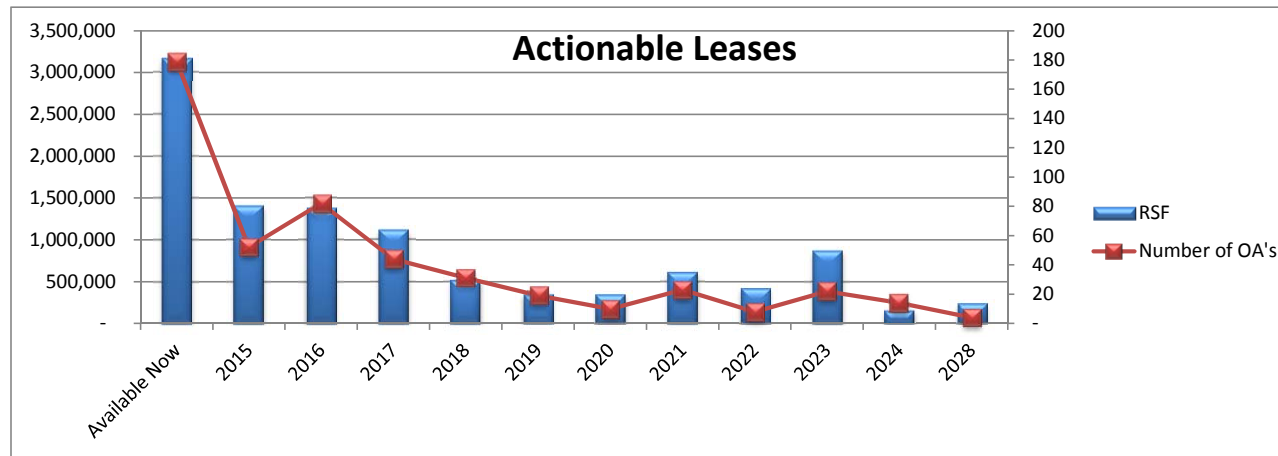
Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
OA Expiration FY (Multiple Items) <- Select Fiscal Year
Bureau Name (All) <- Select Bureau
Market (All) <- Select Metro Area

*Table shows a max of 50 OA's per FY

OA Number	Building Name	City	RSF	Annual Rent
AMD05002	PARKLAWN OFFICE BLDG	ROCKVILLE	801,550	21,620,533
ADC00559	HUBERT HUMPHREY BLDG	WASHINGTON	701,450	16,108,414
AMD00161	FRC BLDG 22 OFFICE	SILVER SPRING	426,760	11,297,319
AMD04748	FRC BUILDING 66 OFFICE	SILVER SPRING	379,148	11,493,856
AMD00363	HARVEY W. WILEY FEDERAL BUILDING	COLLEGE PARK	369,869	8,503,286
AMD04355	FRC BLDG 51 OFFICE	SILVER SPRING	274,581	9,674,571
ADC00298	WILBUR J COHEN BLDG	WASHINGTON	252,400	8,038,688
AMD01744	TWO ROCKLEDGE CENTRE	BETHESDA	247,130	8,256,740
AMD00616	THE SAMHSA BUILDING	ROCKVILLE	228,020	5,988,448
AMD04918	WELLINGTON 1	FREDERICK	193,599	2,497,555
ADC06507	370 L'ENFANT PROMENADE	WASHINGTON	186,880	9,804,195
AMD00460	METRO IV	HYATTSVILLE	178,450	6,239,755
AMD01724	CAPITAL GATEWAY BUILDING	BETHESDA	159,731	5,674,993
AMD05327	NORTH EAST COMMERCE CENTER	NORTH EAST	153,508	1,542,485
AMD00133	THE GAITHER DIST CTR	GAITHERSBURG	150,000	1,627,734
AMD03870	FRC BLDG 62 LAB	SILVER SPRING	136,172	5,708,474
AMD00491	REDLAND TECHNOLOGY PARK I	ROCKVILLE	133,895	4,650,047
AMD00344	FRC BLDG 2 CTRL SHARED USE ONE	SILVER SPRING	132,821	5,285,485
AMD00603	FRC BUILDING 64 LAB	SILVER SPRING	123,397	3,539,934
AGA04049	CHAMBLEE NORTH	CHAMBLEE	121,956	976,865
ADC06075	MARY E. SWITZER BUILDING	WASHINGTON	116,628	3,888,453
AGA02947	2500 CENTURY PARKWAY BLDG	Atlanta	116,040	3,315,439
AMD04089	370 TECH CENTER	GAITHERSBURG	115,383	2,193,161
AMD02005	7500 STANDISH PLACE	ROCKVILLE	113,934	3,810,850
AMD05345	FRC BUILDING 21 OFFICE	SILVER SPRING	104,013	2,065,992
AMD05702	THREE WHITE FLINT NORTH	ROCKVILLE	103,063	211,158
AGA03869	CENTURY CENTER	Atlanta	100,800	2,763,188
AGA02265	HIGHWOOD PROPERTIES	Atlanta	97,785	2,450,811
AMD00490	THE TOWER BUILDING	ROCKVILLE	95,188	3,307,686
ATX01437	EMPLOYERS CASU BLDG	DALLAS	91,607	2,494,426
AMD04749	FRC BUILDING 1 OFFICE	SILVER SPRING	90,012	2,774,687
AMD04466	HR/OFM	ROCKVILLE	89,708	2,343,194
AMD05218	EXECUTIVE BUILDING	ROCKVILLE	82,873	2,913,184
AMA00073	JFK FEDERAL BUILDING	BOSTON	80,953	2,734,399
AMD00513	AMMENDALE SOUTH TECH PARK	BELTSVILLE	77,651	2,275,893
AMD00204	BOULEVARD PLACE	WOODLAWN	77,562	2,012,012
AMD04916	TWINBROOK METRO PLAZA	ROCKVILLE	77,521	2,733,317
ACO04835	DFC BLDG 20	LAKEWOOD	75,522	1,147,354
AMD00158	MOD II	LAUREL	74,471	331,694
AGA01202	CRAWFORD & ANNEX	Atlanta	72,220	2,770,413
AMD05301	TWINBROOK PLACE	ROCKVILLE	70,701	2,590,658
AMD05255	7501 WISCONSIN AVENUE	BETHESDA	70,500	3,341,933
APA00895	THE PUBLIC LEDGER BLDG	PHILADELPHIA	69,781	1,628,557
ACA00838	PARKWAY CENTRE	ALAMEDA	63,595	1,960,796
ACA08560	SAN FRANCISCO FEDERAL BLDG	SAN FRANCISCO	60,714	777,480
ANM00350	INDIAN HEALTH SERVICES	ALBUQUERQUE	60,455	1,035,686
AWA00119	FDA BLDG	BOTHELL	59,312	1,651,375
AMD04886	6011 EXECUTIVE BLVD.	ROCKVILLE	57,310	2,041,494
AMD02965	SILVER SPRING CENTRE	SILVER SPRING	57,165	1,991,313
AKS00547	11510 WEST 80TH	OVERLAND PARK	55,821	1,979,576
Grand Total			7,829,606	216,065,557

Department of Health and Human Services

Actionable Lease Trend

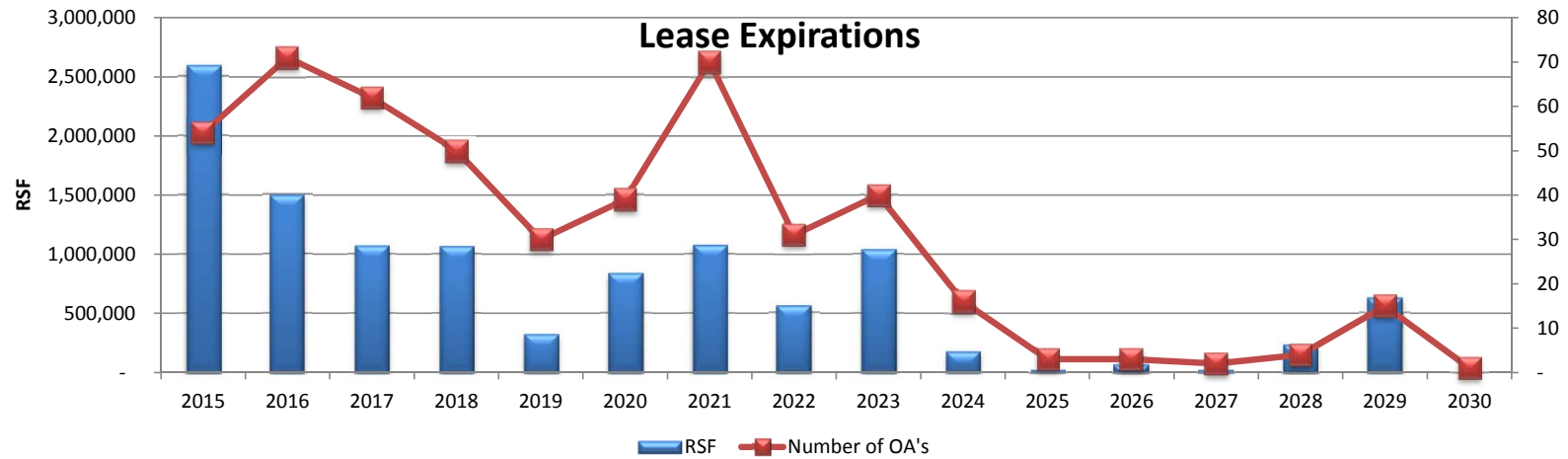


Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)
Market	(All)
City	(All)
Owned/Leased	(All)

Fiscal Year of Expiration	RSF	Number of OA's
Available Now	3,172,858	179
2015	1,409,359	52
2016	1,389,098	82
2017	1,119,104	44
2018	520,102	31
2019	345,425	19
2020	341,804	10
2021	614,870	23
2022	415,908	8
2023	873,243	22
2024	160,534	14
2028	237,468	4
Grand Total	10,599,771	488

Department of Health and Human Services

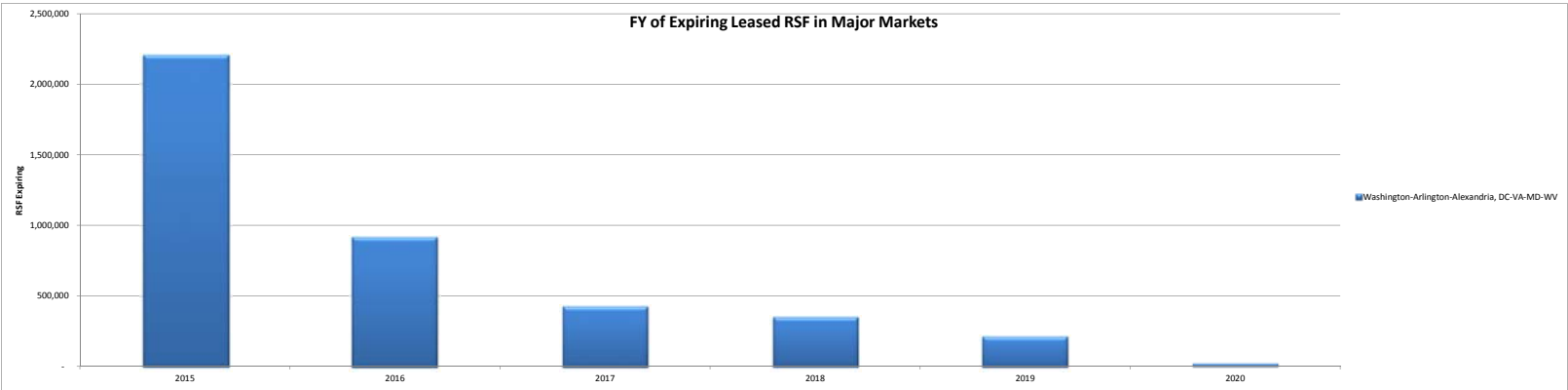
Lease Expirations Trend



Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)
Market (All)
City (All)

Fiscal Year of Expiration	RSF	Number of OA's
2015	2,595,669	54
2016	1,495,953	71
2017	1,071,483	62
2018	1,068,129	50
2019	325,732	30
2020	838,478	39
2021	1,077,741	70
2022	561,462	31
2023	1,040,361	40
2024	178,463	16
2025	24,531	3
2026	71,812	3
2027	23,150	2
2028	237,468	4
2029	632,626	15
2030	4,371	1
Grand Total	11,247,430	491

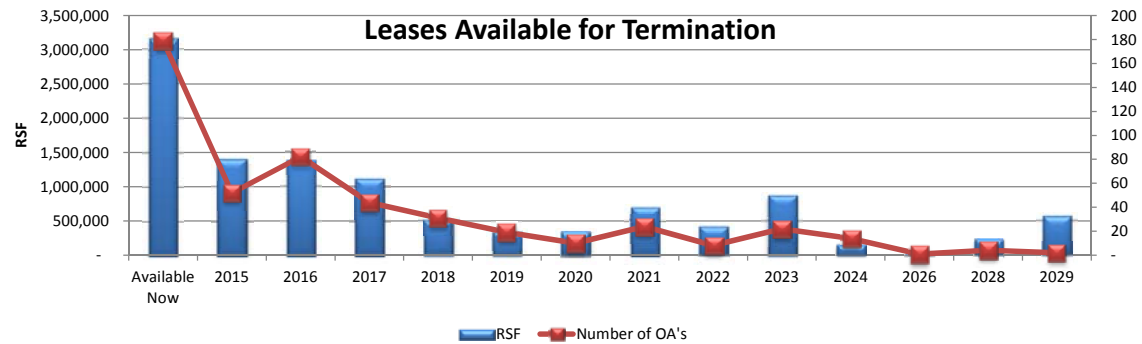




Agency Name		DEPARTMENT OF HEALTH & HUMAN SERVICES	
Bureau Name		(All)	
Note: Page displays a maximum of 100 Expirations			
RSF			
	Lease Expiration FY	Market	Grand Total
		Washington-Arlington-Alexandria, DC-VA-MD-WV	
	2015	2,208,310	2,208,310
	2016	916,695	916,695
	2017	427,475	427,475
	2018	346,377	346,377
	2019	209,763	209,763
	2020	18,485	18,485
Grand Total		4,127,105	4,127,105

Department of Health and Human Services

Lease Termination Rights



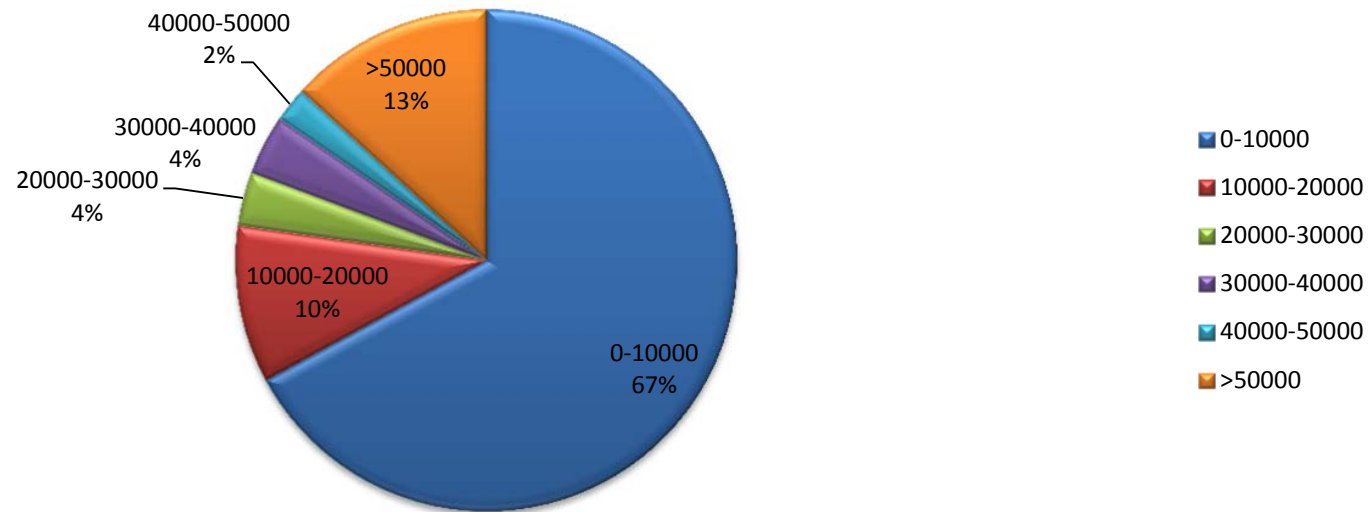
Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)
Market (All)
Termination Right Indicator (All)

FY of Termination Rights	RSF	Number of OA's
Available Now	3,172,858	179
2015	1,409,359	52
2016	1,389,098	82
2017	1,119,104	44
2018	520,102	31
2019	345,425	19
2020	341,804	10
2021	702,774	24
2022	415,908	8
2023	873,243	22
2024	160,534	14
2026	30,888	1
2028	237,468	4
2029	571,675	2
Grand Total	11,290,238	492

Department of Health and Human Services

Size of Expiring Leases

Size of Expiring Leases

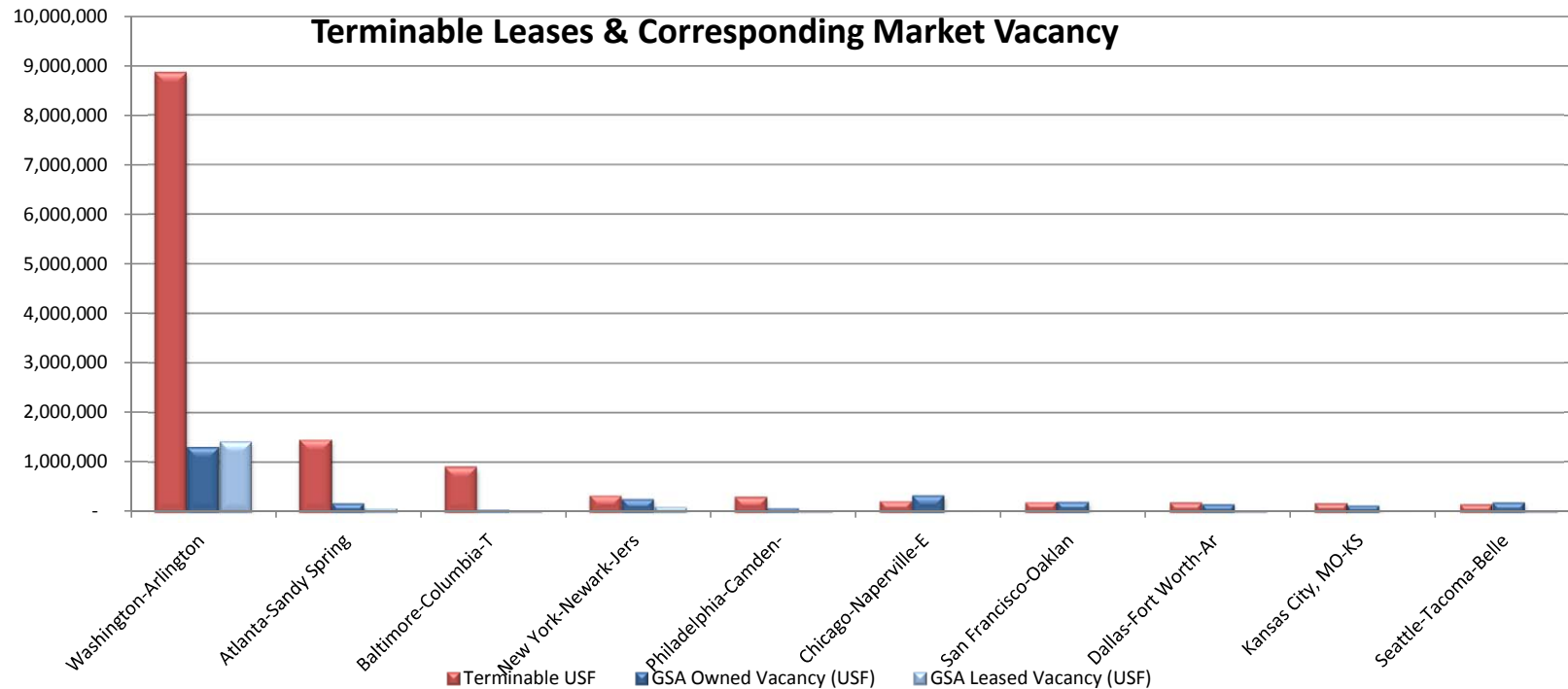


Agency Name	DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name	(All)
Market	(All)
City	(All)
Owned/Leased	(Multiple Items)
Lease Termination FY	(All)

RSF	Count of OA Number	Sum of Assigned RSF
0-10000	330	917,823
10000-20000	50	724,186
20000-30000	17	426,349
30000-40000	19	641,744
40000-50000	11	491,020
>50000	65	8,089,116
Grand Total	492	11,290,238

Department of Health and Human Services

Terminable vs. Vacancy by MSA

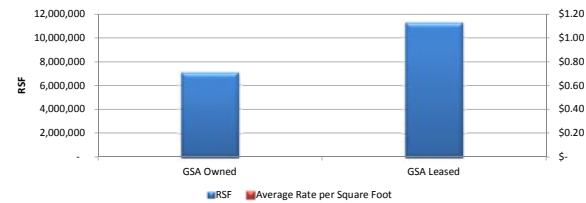


Top 10 Markets	Terminable USF	GSA Owned Vacancy (USF)	GSA Leased Vacancy (USF)
Washington-Arlington	8,877,738	1,314,083	1,423,905
Atlanta-Sandy Spring	1,468,733	181,530	67,788
Baltimore-Columbia-T	922,630	48,251	16,047
New York-Newark-Jers	347,117	272,269	106,202
Philadelphia-Camden-	310,947	81,327	20,236
Chicago-Naperville-E	230,447	347,303	12,206
San Francisco-Oaklan	214,422	212,362	2,604
Dallas-Fort Worth-Ar	198,247	164,353	18,892
Kansas City, MO-KS	180,101	135,328	14,087
Seattle-Tacoma-Belle	161,008	203,713	20,745

Agency Occupied Buildings with Large Amounts of Vacant Space

Location Code	Building Name	Market	Owned vs. Leased (O/L)	Building Size (RSF)	Building Vacancy (USF)	Agency Space within building	Market Presence	
							# of Agency Leases in that Market	Agency's Leased RSF in that Market
GA1007	SAM NUNN ATLANTA FED. CTR.	Atlanta-Sandy Springs-Roswell, GA	GSA Leased	28,623,743	1,244,840	198,082	-	-
NY0282	JACOB K. JAVITS FB/CIT	New York-Newark-Jersey City, NY-NJ-P	GSA Owned	52,743,692	1,104,760	165,636	-	-
CA0305	SAN FRANCISCO FEDERAL BLDG	San Francisco-Oakland-Hayward, CA	GSA Owned	10,889,100	498,477	172,574	-	-
HI0011	PRINCE J. KUHIO FOB & CTHS	Urban Honolulu, HI	GSA Owned	2,787,506	381,630	3,504	-	-
CO0516	DFC BLDG 41	Denver-Aurora-Lakewood, CO	GSA Owned	1,472,129	214,707	2,966	-	-
CA0154	PHILLIP BURTON FB CT	San Francisco-Oakland-Hayward, CA	GSA Owned	1,244,600	180,109	850	-	-
TX0284	E CABELL FOB/USPO/CTHS	Dallas-Fort Worth-Arlington, TX	GSA Owned	5,390,427	163,727	29,659	-	-
NY0128	FEDERAL BLDG--201 VARICK ST	New York-Newark-Jersey City, NY-NJ-P	GSA Owned	935,560	155,151	697	-	-
MS0083	DR. A. H. MC COY FB	Jackson, MS	GSA Owned	1,117,634	145,767	6,625	-	-
CA0083	FEDERAL BUILDING	Sacramento--Roseville--Arden-Arcade, CA	GSA Owned	642,874	142,258	8,928	-	-
GA0087	PEACHTREE SUMMIT FB	Atlanta-Sandy Springs-Roswell, GA	GSA Owned	803,770	136,119	9,046	-	-
SC0068	STROM THURMOND FB	Columbia, SC	GSA Owned	1,001,779	115,922	5,074	-	-
CO0530	DFC BLDG 53	Denver-Aurora-Lakewood, CO	GSA Owned	372,396	104,158	146	-	-
CA0152	JOHN E. MOSS FEDERAL BUILDING	Sacramento--Roseville--Arden-Arcade, CA	GSA Owned	655,480	91,224	24,193	-	-
FL0064	R L TIMBERLAKE JR FB	Tampa-St. Petersburg-Clearwater, FL	GSA Owned	297,306	89,810	5,917	-	-
MO0127	RICHARD BOLLING FB	Kansas City, MO-KS	GSA Owned	14,638,610	86,731	114,433	-	-
FL0061	CLAUDE PEPPER FB	Miami-Fort Lauderdale-West Palm Beach	GSA Owned	259,427	71,515	4,012	-	-
IA0112	NEAL SMITH FEDERAL BUILDING	Des Moines-West Des Moines, IA	GSA Owned	1,076,858	68,816	9,243	-	-
TX0298	GT LELAND FEDERAL BLDG	Houston-The Woodlands-Sugar Land, TX	GSA Owned	346,663	68,061	7,056	-	-
IL2409	TWO ILLINOIS CENTER	Chicago-Naperville-Elgin, IL-IN-WI	GSA Leased	2,576,588	64,547	173,316	-	-

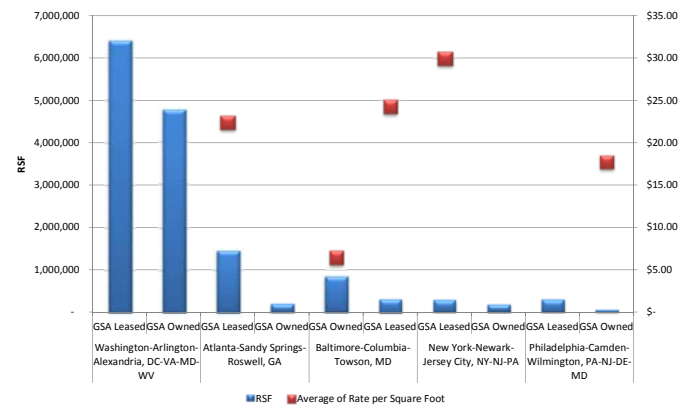
Nationwide Rates per Square Foot



Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)

RSF Average Rate per Square Foot		
GSA Owned	7,088,308	#DIV/0!
GSA Leased	11,290,238	#DIV/0!
Grand Total	18,378,545	#DIV/0!

Rates per Square Foot by Major Metro Area



Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau Name (All)

RSF Average of Rate per Square Foot		
Washington-A	11,188,869	#DIV/0!
GSA Lease	6,412,547	#DIV/0!
GSA Owned	4,776,322	#DIV/0!
Atlanta-Sand	1,648,549	#DIV/0!
GSA Lease	1,457,152	22.41
GSA Owned	191,397	#DIV/0!
Baltimore-Co	1,142,515	\$ 17.93
GSA Lease	836,194	\$ 6.45
GSA Owned	306,321	\$ 24.31
New York-New	448,386	#DIV/0!
GSA Lease	277,534	\$ 30.02
GSA Owned	170,852	#DIV/0!
Philadelphia-C	345,885	#DIV/0!
GSA Lease	285,201	#DIV/0!
GSA Owned	60,684	\$ 17.71
Grand Total	14,774,204	#DIV/0!

Department of Health and Human Services
Rent Gap Analysis

Agency Name DEPARTMENT OF HEALTH & HUMAN SERVICES
 Bureau Name (All)
 Owned/Leased (All)
 FRPC Property Type (Multiple Items)
 Submarket Rate per SF (Multiple Items)
 *Excludes OA's < 10% above market

Note: Submarket rates are approximations based on a building's location. Rates do not account for the condition of an asset, building class (A, B, or C), or unique circumstances.

OA Number	Lease ID	Earliest Termination FY (Begin)	Building Name	GSA Rate	Approx.	Rent Gap %	Potential Annual Rent Savings
					Submarket Rate		
AMI04969	LMI16655	2020	STROH RIVER PLACE	\$39.97	\$17.20	55.06%	\$ 1,272,192
AMO05375	LMO01044	2023	NEWSTEAD FACILITY	\$37.04	\$19.07	52.27%	\$ 893,832
AMD05319	LMD09606	2016	WINDSOR STATION	\$30.98	\$21.84	25.23%	\$ 647,844
AMD00513	LMD01473	2018	AMMENDALE SOUTH TECH PARK	\$29.31	\$21.72	20.26%	\$ 428,540
AMI04954	LMI16655	2020	STROH RIVER PLACE	\$47.93	\$17.20	59.15%	\$ 410,038
AIL06338	LIL18598	2019	550 BUILDING	\$40.47	\$27.70	27.54%	\$ 347,592
AMA00254	LMA04120	Available Now	ONE MONTVALE AVENUE	\$29.11	\$18.67	30.40%	\$ 272,407
ACA02066	LCA01639	Available Now	TECHNOLOGY DR.	\$35.60	\$25.79	22.74%	\$ 246,199
ANJ03419	LNJ23855	2022	629 CRANBURY ROAD	\$38.17	\$20.95	41.48%	\$ 222,744
AMI04641			CUST CARGO INSP FAC	\$96.01	\$15.25	80.78%	\$ 198,108
AHI02666	LHI02585	2016	1132 BISHOP ST	\$54.81	\$20.08	60.90%	\$ 148,512
AFL04549	LFL47809	Available Now	ATRIUM OFFICE PARK	\$31.61	\$21.34	28.48%	\$ 124,869
ANJ03109	LNJ23426	Available Now	NJ4561ZZ	\$27.51	\$18.37	28.13%	\$ 116,684
AMA02937	LMA04547	Available Now	401 EDGEWATER PLACE	\$46.31	\$18.67	42.03%	\$ 106,805
ACA08620	LCA01639	Available Now	TECHNOLOGY DR.	\$35.27	\$25.79	21.97%	\$ 95,186
ANJ03411	LNJ23426	Available Now	NJ4561ZZ	\$30.08	\$18.37	34.41%	\$ 83,841
AIN03587	LIN18295	2016	101 WEST OHIO	\$30.70	\$15.78	43.99%	\$ 72,853
ANY08825			ALFONSE M. D'AMATO US CRTHSE	\$34.34	\$18.88	40.26%	\$ 57,497
AMI04940	LMI18687	2017	STROH RIVER PLACE	\$26.86	\$17.20	26.94%	\$ 46,045
AMD02085	LMD01821	2017	CALVERTON OFF PARK 7	\$25.55	\$21.72	11.01%	\$ 42,291
ACA09498	LCA02589	2016	THE WARNER BUILDING	\$33.18	\$22.59	20.73%	\$ 40,134
AMO04842	LMO70079	Available Now	TOWN PAVILLION	\$21.31	\$14.43	27.86%	\$ 34,010
ACA08690	LCA01908	Available Now	WEST VALLEY PLAZA BUILDING	\$38.68	\$24.26	32.88%	\$ 32,425
AHI00706			PRINCE J. KUHIO FOB & CTHS	\$38.32	\$20.28	39.46%	\$ 26,240
AFL00898	LFL43830	Available Now	SOUTHPOINT PKWY CTR	\$24.41	\$16.42	34.32%	\$ 25,740
AIN03746	LIN18550	2017	101 WEST OHIO	\$23.21	\$15.78	23.55%	\$ 21,980
AFL05182	LFL61807	2016	SPRING LAKE BUSINESS CENTER	\$25.39	\$16.59	28.16%	\$ 16,780
AMO05162	LMO90057	2016	1201 WALNUT STREET	\$17.29	\$14.43	11.09%	\$ 12,067
AMO05222	LMO01022	2016	1201 WALNUT STREET	\$17.37	\$14.43	11.49%	\$ 9,459
AHI00100			PRINCE J. KUHIO FOB & CTHS	\$13.73	\$20.28	42.26%	\$ 8,817
AHI02596			PRINCE J. KUHIO FOB & CTHS	\$34.98	\$20.28	36.46%	\$ 8,013
AMO05174	LMO90057	2016	1201 WALNUT STREET	\$17.29	\$14.43	11.09%	\$ 7,775
AFL05137			R L TIMBERLAKE JR FB	\$24.99	\$18.25	22.89%	\$ 4,229
AMO05175	LMO90057	2016	1201 WALNUT STREET	\$17.29	\$14.43	11.09%	\$ 2,350
AHI00099			PRINCE J. KUHIO FOB & CTHS	\$30.89	\$20.28	27.44%	\$ 1,811
AMI04820			P V MCNAMARA F B	\$18.91	\$15.25	13.86%	\$ 1,269
ATN02791	LTN46043	Available Now	BNA CORPORATE CENTER	\$23.72	\$19.00	13.14%	\$ 1,236
Grand Total				\$1,188.59	\$703.00	1160.81%	\$ 6,088,415